

DOCKET

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Title: Park 'N Fly, Inc., Petitioner
Vs.
Dollar Park and Fly, Inc.

Docketed:
January 10, 1984

Court: United States Court of Appeals
for the Ninth Circuit

Counsel for petitioners: Popkin, Alan E.

Counsel for respondents: Kolisch, J. Pierre

Entry	Date	Note	Proceedings and Orders
1	Jan 10 1984	G	Petition for writ of certiorari filed.
2	Feb 15 1984		DISTRIBUTED. March 2, 1984
3	Feb 16 1984	X	Brief of respondent Dollar Park & Fly, Inc. in opposition filed.
4	Mar 1 1984	X	Reply brief of petitioner Park 'N Fly, Inc. filed.
5	Mar 5 1984		Petition GRANTED. Justice Marshall OUT.
7	Mar 28 1984		Order extending time to file brief of petitioner on the merits until May 19, 1984.
8	May 19 1984		Brief of petitioner Park 'N Fly, Inc. filed.
9	May 19 1984		Joint appendix filed.
10	May 18 1984		Brief amicus curiae of Amer. Intellectual Property Law Assoc., et al. filed.
12	May 29 1984		Order extending time to file brief of respondent on the merits until July 21, 1984.
13	Jun 18 1984		Record filed.
14	Jul 20 1984		Brief of respondent Dollar Park & Fly, Inc. filed.
15	Aug 8 1984		CIRCULATED.
16	Aug 10 1984		SET FOR ARGUMENT. Tuesday, October 9, 1984. (1st case)
17	Sep 28 1984	X	Reply brief of petitioner Park 'N Fly, Inc. filed.
18	Oct 9 1984		ARGUED.

PETITION FOR

WRIT OF

CERTIORARI

83-1132

FILED

JAN 10 1984

ALEXANDER L. STEVENS
CLERK

No. 83-

IN THE
Supreme Court of the United States

OCTOBER TERM, 1983

PARK 'N FLY, INC.,
Petitioner,

vs.

DOLLAR PARK AND FLY, INC.,
Respondent.

**PETITION FOR A WRIT OF CERTIORARI
TO THE UNITED STATES COURT OF APPEALS
FOR THE NINTH CIRCUIT**

TIMOTHY F. NOELKER
Counsel of Record

ALAN E. POPKIN
POPKIN, STERN, HEIFETZ,
LURIE, SHEEHAN, REBY &
CHERVITZ
7733 Forsyth Boulevard
22nd Floor
St. Louis, Missouri 63105
(314) 862-0900
*Counsel for Petitioner
Park 'N Fly, Inc.*

January 10, 1984

QUESTION PRESENTED

Whether the Ninth Circuit erred in ruling, contrary to the holdings of other circuits, that Dollar Park and Fly, Inc. could defend the infringement claims of Park 'N Fly, Inc. on the ground that the mark was merely descriptive after Park 'N Fly's mark had achieved incontestable status under the Lanham Act, thus defeating a registrant's right to offensive use of its mark's incontestability to obtain injunctive relief.

PARTIES

The parties named in the caption are the only parties to this action.

Pursuant to Supreme Court Rule 28.1, petitioner Park 'N Fly, Inc. identifies its parent companies, subsidiaries (except wholly owned subsidiaries) and affiliates, all of which are headquartered at 655 Craig Road, Suite 112, St. Louis, Missouri 63141 (unless otherwise noted), as follows:

Park 'N Fly Service Corporation

Park 'N Fly of Louisiana, Inc.

Park 'N Fly of Missouri-Georgia, Inc.

Sierra Bravo Aviation, Inc.

Desloge Land Corporation of Boston

Desloge Land Corporation of Atlanta

Bloom Land Corporation of Boston

Bloom Land Corporation of Atlanta

Park 'N Fly Profit Sharing Land Company

Bremen Company Ltd.
 Janna Medical Systems, Inc.
 Valley Forge Corporation
 3950 Tammig Road
 P.O. Box 750
 Bridgeton, MO 63044

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No. 83-

IN THE

Supreme Court of the United States

OCTOBER TERM, 1983

PARK 'N FLY, INC.,
Petitioner,

VS.

DOLLAR PARK AND FLY, INC.,
Respondent.

**PETITION FOR A WRIT OF CERTIORARI
TO THE UNITED STATES COURT OF APPEALS
FOR THE NINTH CIRCUIT**

Petitioner hereby requests that this Court issue a writ of certiorari to review a judgment of the United States Court of Appeals for the Ninth Circuit entered October 13, 1983.

OPINIONS BELOW

The opinion of the United States Court of Appeals for the Ninth Circuit, which is reported at 718 F.2d 327 (9th Cir. 1983), is reprinted as Appendix A, pp. A-1 - A-7 of this petition.

The unpublished Findings of Fact and Conclusions of Law, and the Judgment, Injunction and Costs of the United District Court for the District of Oregon are reprinted as Appendix B, at pp. A-8 - A-15 of this petition.

JURISDICTION

The judgment of the Ninth Circuit was entered in this action on October 13, 1983. Neither party requested rehearing.

The jurisdiction of this Court is invoked pursuant to 28 U.S.C. §1254(1).

STATUTES INVOLVED

The statutes involved in this petition are 15 U.S.C. §§1065 and 1115, which provide in full as follows:

§1065. Incontestability of right to use mark under certain conditions

Except on a ground for which application to cancel may be filed at any time under subsections (c) and (e) of section 1064 of this title, and except to the extent, if any, to which the use of a mark registered on the principal register infringes a valid right acquired under the law of any State or Territory by use of a mark or trade name continuing from a date prior to the date of registration under this chapter of such registered mark, the right of the registrant to use such registered mark in commerce for the goods or services on or in connection with which such registered mark has been in continuous use for five consecutive years subsequent to the date of such registration and is still in use in commerce, shall be incontestable: *Provided, That—*

(1) there has been no final decision adverse to registrant's claim of ownership of such mark for such goods or services, or to registrant's right to register the same or to keep the same on the register; and

(2) there is no proceeding involving said rights pending in the Patent and Trademark Office or in a court and not finally disposed of; and

(3) an affidavit is filed with the Commissioner within one year after the expiration of any such five-year period setting forth those goods or services stated in the registration on or in connection with which such mark has been in continuous use for such five consecutive years and is still in use in commerce, and the other matters specified in subsections (1) and (2) of this section; and

(4) no incontestable right shall be acquired in a mark which is the common descriptive name of any article or substance, patented or otherwise.

Subject to the conditions above specified in this section, the incontestable right with reference to a mark registered under this chapter shall apply to a mark registered under the Act of March 3, 1881, or the Act of February 20, 1905, upon the filing of the required affidavit with the Commissioner within one year after the expiration of any period of five consecutive years after the date of publication of a mark under the provisions of subsection (c) of section 1062 of this title.

The Commissioner shall notify any registrant who files the above-prescribed affidavit of the filing thereof.

(As amended Jan. 2, 1975, Pub.L. 93-596, §1, 88 Stat. 1949; Aug. 27, 1982, Pub.L. 97-247, §10, 96 Stat. 320.)

§1115. Registration on principal register as evidence of exclusive right to use mark; defenses

(a) Any registration issued under the Act of March 3, 1881, or the Act of February 20, 1905, or of a mark registered on the principal register provided by this chapter and owned by a party to an action shall be admissible in evidence and shall be prima facie evidence of registrant's exclusive right to use the registered mark in commerce on the goods or services specified in the registration subject to any conditions or limitations stated therein, but shall not

preclude an opposing party from proving any legal or equitable defense or defect which might have been asserted if such mark had not been registered.

(b) If the right to use the registered mark has become incontestable under section 1065 of this title, the registration shall be conclusive evidence of the registrant's exclusive right to use the registered mark in commerce on or in connection with the goods or services specified in the affidavit filed under the provisions of said section 1065 subject to any conditions or limitations stated therein except when one of the following defenses or defects is established.

(1) That the registration or the incontestable right to use the mark was obtained fraudulently; or

(2) That the mark has been abandoned by the registrant; or

(3) That the registered mark is being used, by or with the permission of the registrant or a person in privity with the registrant, so as to misrepresent the source of the goods or services in connection with which the mark is used; or

(4) That the use of the name, term, or device charged to be an infringement is a use, otherwise than as a trade or service mark, of the party's individual name in his own business, or of the individual name of anyone in privity with such party, or of a term or device which is descriptive of and used fairly and in good faith only to describe to users the goods or services of such party, or their geographic origin; or

(5) That the mark whose use by a party is charged as an infringement was adopted without knowledge of the registrant's prior use and has been continuously used by such party or those in privity with him from a date prior to registration of the mark under this chapter or publication of the registered mark under subsection (c) of section 1062

of this title: *Provided, however,* That this defense or defect shall apply only for the area in which such continuous prior use is provided; or

(6) That the mark whose use is charged as an infringement was registered and used prior to the registration under this chapter or publication under subsection (c) of section 1062 of this title of the registered mark of the registrant, and not abandoned: *Provided, however,* That this defense or defect shall apply only for the area in which the mark was used prior to such registration or such publication of the registrant's mark; or

(7) That the mark has been or is being used to violate the antitrust laws of the United States.

(July 5, 1946, c. 540, Title VI, §33, 60 Stat. 438; Oct. 9, 1962, Pub. L. 87-772, §18, 76 Stat. 774).

STATEMENT OF THE CASE

Introduction

This case involves a conflict among the circuits with regard to the basic rights of the holders of trademarks under the Lanham Act, 15 U.S.C. §§1051-1127. In the decision from which Petitioner seeks a writ of certiorari, the Ninth Circuit, contrary to the Seventh and Fifth Circuits (as well as many district courts), has held that a trademark registrant may not obtain injunctive relief against an alleged infringer in reliance on the incontestable status of its mark. The Court ruled that, even though a registrant's mark has achieved incontestability status under 15 U.S.C. §1065, the registrant may not obtain injunctive relief based on the conclusive presumption provided by 15 U.S.C. 1115(b) that the mark is not merely descriptive.

The Ninth Circuit, acknowledging its conflict with the Seventh Circuit, held that a registrant may only use the incontestability status of its mark to defend against cancellation

and to protect its continued use of the mark, but not offensively to enjoin the use of the mark by another.

The District Court Case

This trademark infringement action was originally brought in the United States District Court for the District of Oregon. As framed by the Pretrial Order, plaintiff Park 'N Fly, Inc. charged defendant Dollar Park and Fly, Inc. with infringement of its registered service mark "Park 'N Fly'", and sought injunctive relief pursuant to 15 U.S.C. §§1114(1) and 1117. Dollar Park and Fly, Inc. counterclaimed, seeking a declaration of invalidity and cancellation of both the "Park 'N Fly'" mark noted above as well as a subsequent mark registered by plaintiff.¹

Jurisdiction was vested in district court pursuant to 15 U.S.C. §1121 and 28 U.S.C. §1338.

Park 'N Fly began its business of off-site airport parking and shuttle service in St. Louis, Missouri in 1967. In August of 1969 Park 'N Fly applied to register the "Park 'N Fly" mark along with the airplane logo mentioned above. After the mark was published for opposition, Registration No. 919,591 was issued by the United States Patent and Trademark Office without opposition on August 31, 1971.²

¹ Federal Registration No. 919,591. The mark also contains the logo of an airplane.

² That mark, Federal Registration No. 1,111,956, consisted of the "Park 'N Fly" designation without an airplane logo.

³ The registration was initially denied because the trademark examiner considered as first that the mark was merely descriptive, and therefore not eligible for the federal trademark protection sought by petitioner absent a showing that the mark had acquired a secondary meaning. 15 U.S.C. §1052(e) & (f) (forbidding *inter alia*, registration of a merely descriptive mark unless it has become "distinctive of the applicant's goods in commerce"). The trademark examiner reversed his position, however, and issued the registration after Park 'N Fly demonstrated that the mark was not merely descriptive.

In May of 1977 Park 'N Fly filed an affidavit with the Patent Office in order to establish the incontestability of its mark in accordance with 15 U.S.C. §1065. The mark achieved incontestability status, which established Park 'N Fly's right to exclusive use of the mark "subject only to the cancellation provisions of 15 U.S.C. §1064 and the defenses enumerated in 15 U.S.C. §1115(b)." *Park 'N Fly, Inc. v. Dollar Park and Fly, Inc.*, 718 F.2d 327, 330 (9th Cir. 1983), Appendix A to this Petition.

After its St. Louis success, Park 'N Fly opened operations in Montreal, Boston, Atlanta, Memphis, Cleveland and San Francisco, all of which managed the parking and shuttle service business that originated in St. Louis. Since the inception and development of Park 'N Fly, petitioner became aware of other entities using the same or confusingly similar names to its own in the airport parking and shuttle business. Between 1970 and the present, petitioner has successfully challenged such use on more than ten occasions, resorting to litigation in at least one instance. See *Park 'N Fly, Inc. v. Park & Fly, Inc.*, 489 F. Supp. 422 (D. Mass. 1979).

Respondent Dollar Park and Fly, Inc., a franchise of the Dollar Rent a Car Company, operates an airport parking and shuttle service in Portland, Oregon. Dollar Park and Fly uses the words "Park and Fly" and other similar designations, including some with an airplane logo, in the conduct of its business.

When Park 'N Fly learned of the use of the mark by Dollar Park and Fly in a business similar to its own, it demanded that Dollar Park and Fly cease using the designation. When the demand was refused Park 'N Fly filed this suit in the Federal District Court in Oregon.

During the pre-trial, trial and post-trial proceedings Park 'N Fly argued, *inter alia*, that Dollar Park and Fly had infringed its incontestable mark and that the infringement should therefore

be enjoined. Park 'N Fly argued further that Dollar Park and Fly's contention that the mark was merely descriptive should not be heard because such a defense was not available to an accused infringer of a mark that had properly achieved incontestable status under §1065.⁶

Dollar Park and Fly stressed that the mark was merely descriptive (and, of course, that it had the right to make such an argument), that the mark was generic, and that there had been no instances of actual confusion of the names, due largely to the fact that Park 'N Fly did not have a facility in Portland, Oregon.

After a trial to the Court on the merits, District Judge Helen J. Frye found in favor of Park 'N Fly and enjoined Dollar Park and Fly's use of the same or similar marks. The Court determined that a mark that has achieved incontestable status could not be challenged on the ground that it was merely descriptive because that ground was not included in 15 U.S.C. §1115,⁷

⁶ Park 'N Fly also argued that the mark was not merely descriptive in any event.

⁷ The seven defenses enumerated in §1115(b) are summarized as follows:

1. fraudulent registration;
2. abandonment;
3. use by or with the permission of the registrant "so as to misrepresent the source of the goods or service in connection with which the mark is used";
4. use "otherwise than as a trade or service mark";
5. prior innocent adoption and use;
6. prior registration and use; and
7. prior or current use to violate the antitrust laws of the United States.

citing *Abercrombie & Fitch Co. v. Hunting World, Inc.*, 537 F.2d 4, 11 (2nd Cir. 1976); *Union Carbide Corp. v. Ever-Ready, Inc.*, 531 F.2d 346, 377 (7th Cir. 1976); *Park 'N Fly, Inc. v. Park & Fly, Inc.*, 489 F. Supp. 422 (D. Mass. 1979).

The Court concluded that an incontestable mark could, however, be challenged on the ground that it was generic, but specifically found that the mark was not generic. The Court found further that the words "Park 'N Fly" are not merely descriptive.

The Court also rejected defendant's argument that plaintiff's mark under Registration No. 1,111,956 was susceptible to challenge because it had not yet achieved incontestable status. As noted above, that mark differs from the incontestable mark No. 919,591 because it consists of the words Park 'N Fly without the airplane logo. The court concluded that Dollar Park and Fly's challenge to the mark could not succeed because a party does not have to copy a mark exactly in order to infringe, and because infringement is possible when only the salient or dominant part of a mark is copied, citing *WSM, Inc. v. Bailey*, 297 F. Supp. 870, 872 (M.D. Tenn. 1969).

The Court further rejected the defendant's argument that there was no likelihood of confusion between the two marks because the companies operated in different geographical locations. The court concluded that the owner of a federal registration was entitled to the security of knowing that the trademark could not be adopted even in a different area of the country, particularly in the airport shuttle business where the customers were travelers from all parts of the country.

Consequently, the district court upheld the validity of the service marks of Park 'N Fly, Inc. and issued an injunction barring Dollar Park and Fly's infringement of the designation "Park and Fly."

The Ninth Circuit Appeal

Dollar Park and Fly appealed the decision and injunction of the District Court on grounds substantially similar to those it raised in the District Court. Dollar Park and Fly also argued specifically that the status of incontestability could not be used offensively to enjoin an alleged infringer and, further, that incontestability could not be used to shield a defective mark, citing primarily *Tillamook County Creamery Ass'n. v. Tillamook Cheese & Dairy Ass'n*, 345 F.2d 158, 163 (9th Cir.) cert denied 382 U.S. 903 (1965); and *Wrist-Rocket Mfg. Co., Inc. v. Saunders Archery Co.*, 516 F.2d 846, 851 (9th Cir.) cert denied 423 U.S. 870 (1975) (other citations omitted).

On appeal Park 'N Fly, Inc. argued, *inter alia*, that it was entitled to injunctive relief under federal trademark law, contending that any "defensive/offensive" distinction with regard to the status of incontestability was incorrect, citing primarily *Union Carbide Corp. v. Ever-Ready, Inc.*, supra, 531 F.2d 366; *Abercrombie & Fitch Co. v. Hunting World, Inc.*, supra, 537 F.2d 4; and *John R. Thompson Co. v. Holloway*, 366 F.2d 108 (5th Cir. 1966), among other sources.

The Ninth Circuit affirmed in part and reversed in part the District Court decision. The Court upheld the validity of Park 'N Fly's two marks, concluding that, without sufficient evidence with respect to consumer perceptions, Park 'N Fly's marks could not be considered generic.

The Ninth Circuit reversed the injunction against infringement, however, rejecting Park 'N Fly's argument that the incontestability of its mark entitled it to such relief. The Court concluded that the defensive/offensive distinction noted above prohibited an injunction based on the incontestable status of a mark because that status could only be used defensively to protect a mark against cancellation. The Court went on to find that a party could defend against the effect of federal registration on grounds not included in §1115(b) and found further that Park 'N Fly's mark was merely descriptive and therefore, although not susceptible to cancellation on that ground, not sufficient to support injunctive relief.

REASONS FOR ALLOWING THE WRIT

Introduction

The Ninth Circuit opinion in this case should be reviewed on a writ of certiorari by this Court because it is in direct conflict with other circuits and because it is based on a faulty application of federal trademark law.

The Lanham Act provisions at the heart of this appeal involve the status and effect of incontestability. Under 15 U.S.C. §1065 (Section 15 of the Lanham Act) a federally registered trademark becomes incontestable under certain conditions. The mark must not be the subject of a final, adverse decision as to its ownership or registration, nor may such a proceeding be pending. §1065(1) and (2). To achieve incontestability the registrant must file an affidavit testifying that the conditions in subsection (1) and (2) have been met, and that the mark has been used continuously in commerce for five years. §1065(3). Finally, no mark may become incontestable if it is the "common descriptive name of any article or substance." §1065(4) *

As noted above, Park 'N Fly, Inc. complied with the prerequisites for incontestability and the status was granted. Consequently, it became entitled to the Lanham Act protection provided in §1115(b), which states in pertinent part that "the registration shall be *conclusive evidence* of the registrant's *exclusive right* to use the registered mark in commerce" (emphasis supplied), subject to the seven defenses set out in §1115(b) which are summarized above at p. 8, fn. 5. And, as the Ninth Circuit noted in its opinion below, "[i]f an incontestable mark becomes generic, it may be cancelled pursuant to 15 U.S.C. §1064(c), but an incontestable mark *cannot be challeng-*

* Section 1065 also excepts from the status of incontestability marks which have been abandoned, are procured by fraud or become generic, and are therefore subject to cancellation under §1064(c) and (e).

ed for being 'merely descriptive.' See *Abercrombie & Fitch Co., supra*, 537 F.2d at 12-13; *Park 'N Fly, Inc. v. Park & Fly, Inc.*, 489 F. Supp. 422, 424 (D. Mass. 1979).⁷ *Park 'N Fly, Inc. v. Dollar Park and Fly, supra*, 718 F.2d at 330 (emphasis supplied).

The Writ Of Certiorari Should Be Allowed To Resolve A Direct Conflict Among The Circuits

The Ninth Circuit ruled in the instant case that Section 1115(b) of the Lanham Act does not provide an offensive basis for registrant with an incontestable mark to enjoin the use of an infringing mark. That Court ruled further that a party could defend against the effect of federal registration as if the mark in question were not incontestable and, thus, allowed Dollar Park and Fly to argue that the mark at issue was merely descriptive. The Court then found the mark to be merely descriptive and defeated Park 'N Fly's effort to protect the mark.⁸

The Ninth Circuit's holding below is based principally on *Tillamook County Creamery Ass'n. v. Tillamook Cheese & Dairy Ass'n.*, *supra*, 345 F.2d 158 (9th Cir. 1965), which is itself based on a decision which has since been overruled. In *Tillamook* two dairy companies which had formerly been affiliated competed with each other for the use of the name "Tillamook" on cheese and milk products. The Ninth Circuit ruled that the plaintiff had not established prior, exclusive use and that the defendant had not abandoned its right to use the name, and affirmed the denial of injunctive relief below.

The *Tillamook* court then went on gratuitously to discuss the incontestability provisions of the Lanham Act, commenting in dicta that the appellant had "properly refrain[ed] from arguing

⁷ The Ninth Circuit's finding in this regard lacks sufficient explanation and is without basis in the record. As such, it violates the requirement of Fed. R. Civ. P. 52 that district court findings of fact not be set aside unless clearly erroneous.

that this incontestability provision aids it in this act." 345 F.2d at 163. The Court then described what has become known as the "defensive/offensive distinction" and stated that the incontestability provision was designed defensively to protect a registrant from having its mark cancelled but could not be used by a registrant to obtain relief from an infringing use of its mark. *Id.* at 163.⁹

In *Tillamook* the Ninth Circuit based its adoption of the defensive/offensive distinction on *John Morrell & Co. v. Reliable Packing Co.*, 295 F.2d 314 (7th Cir. 1961), *overruled*, *Union Carbide Corp. v. Ever-Ready, Inc.*, 531 F.2d 366 (7th Cir.), *cert. denied*, 429 U.S. 830 (1976). In *Morrell* two pork producers competed for the designations "E-Z Cut" and "E-Z Carve Ham" on fully cooked hams each company produced. In reversing the injunction granted by the District Court, the Seventh Circuit originally interpreted Section 1115(b) of the Lanham Act not to support the award of an injunction because the rights conferred by incontestability status were considered to be defensive only.⁹ The court therefore held that Section

⁸ The *Tillamook* Court also stated hypothetically that an offensive action under the incontestability provisions of the Lanham Act would have failed on the merits in any event because of subsection (4) of 15 U.S.C. 1115(b) which, as noted above at p. 8, fn. 5, limits the assertion of incontestability when the mark has been used other than as a trade or service mark. In *Tillamook* the mark was the geographic name of the home of the competing companies and hence was within the subsection (4) exception. 345 F.2d at 163-165.

⁹ In this regard *Morrell* has been described as "a hopelessly confused opinion", McCarthy, *Trademarks and Unfair Competition*, Vol. 1, Section 11:16, p. 377, fn. 16. Another authority on trademarks describes the section of *Rand McNally* upon which *Morrell* relied this way: "the quoted portion urged in dicta and was, in any event, ripped brutally out of context." Fletcher, *Incontestability and Constructive Notice: a Quarter Century of Adjudication*, 63 *Trademark Rep.* 71, 95 (1975).

1115(b) could only be used by a registrant in a cancellation proceeding. In reaching this result, the Court relied entirely on *Rand McNally & Co. v. Christmas Club*, 105 U.S.P.Q. 499 (June 14, 1955). The Seventh Circuit's reliance on *Rand McNally* was, however, misplaced because *Rand McNally* dealt with the expansion of a mark beyond the service for which it was originally designated and not the clear dispute over a single name presented by *Morrell* and *Tillamook*.

In *Rand McNally*, both the petitioner and the registrant had Christmas Savings Plans called "Christmas Club Systems". The petitioner had stated that it had "no objection whatsoever to respondent's continued use of the trademark" for its savings accounts. 105 U.S.P.Q. at 500. The dispute, however, was over the registrant's efforts to expand the designation beyond a savings system to use it in its magazine. It was in this context that the petitioner challenged the expanded use of the mark "Christmas Club". The assistant commissioner of patents ruled in *Rand McNally* that the petitioner, who had never published a periodical comparable to the registrant's, could not block the distinct use of the term by the registrant. The assistant commissioner did not, however, hold that reliance upon the status of incontestability was improper by a registrant in an infringement action. Rather, the assistant commissioner described a limitation on the expansion of offensive use, saying that "[a]cquisition of an incontestable right to use the mark on a periodical as the result of the filing of an affidavit in accordance with section 15 [15 U.S.C. §1065] will not provide respondent with an 'offensive weapon' of any greater magnitude than that which it has had since the registration issued in 1927." 105 U.S.P.Q. at 501 (emphasis supplied).

The Seventh Circuit decision that overruled *Morrell*, *Union Carbide Corp. v. Ever-Ready, Inc.*, 531 F.2d 366 (7th Cir.), cert. denied, 429 U.S. 830 (1976), stands in stark contrast to the Ninth Circuit approach.

In *Union Carbide* the Seventh Circuit dealt exhaustively with the trademark "Ever-Ready" for use in batteries and certain types of lights, including flashlights. The court carefully surveyed the law with respect to the incontestability provision of the Lanham Act, 531 F.2d at 371-377, and specifically overruled *Morrell*, holding that:

a plaintiff in an infringement action establishes conclusively, under section 1115(b), his exclusive right to use a trademark to the extent he shows his trademark has become incontestable under section 1065. Incontestability does not broaden a trademark in the sense that it allows a registrant to claim rights over a greater range of products than he would otherwise be entitled to claim; but once incontestability is established, registrant's mark is immune from challenge on any grounds not enumerated in section 1115(b). There is no defensive/offensive distinction in this statute, and we do not believe one should be judicially engrafted on to it. 531 F.2d at 377.¹⁹

In reaching this result the Seventh Circuit noted the confusion generated by *Morrell* as to the effect of incontestability. The Seventh Circuit described the language of *Tillamook* as "perhaps unfortunate" and demonstrated the misplaced reliance on the *Rand McNally* case described above. 531 F.2d at 373-374. In addition, the Seventh Circuit analyzed the defensive/offensive dichotomy of *Morrell* and *Tillamook* in terms of the legislative history and language of the Lanham Act and found no justification for the distinction. 531 F.2d at 376. Finally, the Seventh Circuit noted that even though the *Rand*

¹⁹ This is, of course, the approach petitioner herein would urge on the merits in the event this petition for certiorari is granted. At this point, however, the holdings of *Union Carbide* and similar cases cited herein are set out primarily to demonstrate the distinct conflict among the circuits with regard to the incontestability provision of the Lanham Act.

McNally decision is apparently the source of the defensive/offensive dichotomy, even the patent office appeals board that decided *Rand McNally* seemingly no longer follows the distinction. See *Seiler's, Inc. v. Hickory Valley Farm, Inc.*, 139 U.S.P.Q. 460 (1963) (sustaining an opposition by the registrant of an incontestable mark on the grounds that its incontestable status was conclusive evidence of its exclusive right to use the mark), cited at 531 F.2d at 377.

The Fifth Circuit's approach to incontestability under the Lanham Act is essentially to the same effect as that which the Seventh Circuit set out in *Union Carbide*. In a dispute over the use of the name "Holloway House", *John R. Thompson Co. v. Holloway*, 366 F.2d 108, 113-116 (5th Cir. 1966), the Court held that a registrant that had achieved incontestable status had the exclusive right to use its mark in commerce, could affirmatively enforce that right, and that a defendant in an enforcement action was limited to the defenses listed in §1115(b). See also *Soweco, Inc. v. Shell Oil Co.*, 617 F.2d 1178, 1184-1185 (5th Cir. 1980), cert. denied 450 U.S. 981 (1981) (holding in a dispute as to the mark "Larvacide" for the name of a fumigant for bugs, slugs, insects and rodents, that once a mark has become incontestable under §1065, it is conclusively presumed not to be merely descriptive, or to have acquired a secondary meaning; and is subject only to the seven defenses set out in §1115(b), citing *Union Carbide*, supra, 531 F.2d at 377).

Several other courts have followed the *Union Carbide* reasoning on incontestability in contrast to the Ninth Circuit's approach. See, e.g. *United States Jaycees v. Philadelphia Jaycees*, 639 F.2d 134 (3rd Cir. 1981) (allowing injunctive relief to protect an incontestable mark and limiting the defenses to the seven defenses listed in §1115(b)); *Park 'N Fly, Inc. v. Park & Fly, Inc.*, 489 F.Supp. 422 (D. Mass. 1979) (granting injunctive relief to petitioner herein based on the incontestability of its mark, limiting defenses to those listed in §1115(b), following the *Union Carbide* decision and rejecting the *Tillamook* and *Mor-*

rell rationale); *Selton, Inc. v. Cornwall Corp.*, 477 F.Supp. 975, 987-988 (D.N.J. 1979) (following *Union Carbide* as to effect of incontestability noting that the basis of the overly restrictive view of incontestability—*Morrell*—has been overruled). Cf. *Abercrombie & Fitch Co. v. Hunting World, Inc.*, 537 F.2d 4, 11-12 (2d Cir. 1976) (holding that a mark that has become incontestable under the Lanham Act is valid even if merely descriptive).

The *Union Carbide* reasoning has even been followed by a district court within the Ninth Circuit. In *Levi Strauss & Co. v. Blue Bell, Inc.*, 200 U.S.P.Q. 434, 443-445 (N.D. Cal. 1978) the Court limited the defenses to an infringement action which sought to enjoin the use of an incontestable mark to those listed in §1115(b) and granted an injunction against infringement."

" The Ninth Circuit, however, confirmed its position on incontestability recently in *Prudential Insurance Co. v. Gibraltar Financial Corp.*, 694 F.2d 1150, 1153 (9th Cir. 1982), cert. denied ___ U.S. ___, 103 S. Ct. 3538 (1983), maintaining that its interpretation of the statute to contain a defensive/offensive distinction is reasonable, citing at p. 1153, fn. 3 Callman, *Unfair Competition and Trademarks*, 2d Ed., Vol. 4 [93-2(c)(1)], p. 2075-2076 for the proposition that incontestability may only be used defensively. Since that time, however, Callman has retreated from that restrictive view, quoting *Union Carbide* at length as questioning and rejecting the defensive/offensive distinction. Callman, *Unfair Competition, Trademarks and Monopolies*, 4th Ed., Vol. 4A, §§25.08, 25.09. Also, the Preface to Vol. 4A of Callman's 4th Ed. states at p. iii that "in the controversy over whether incontestability of a registration is a sword as well as a shield, the weight of authority seems to be leaning toward judicial approval of offensive use."

In addition, the Eighth Circuit, which had initially adopted the *Morrell* defensive/offensive distinction in *Wrior-Rocket Mfg. Co. v. Saunders Archery Co.*, 516 F.2d 846 (8th Cir.), cert. denied 423 U.S. 870 (1975), has retreated somewhat from the position in a subsequent decision in the same case in which the issue of incontestability was not reached, noting the "carefully considered" *Union Carbide* decision. *Wrior-Rocket Mfg. Co. v. Saunders Archery Co.*, 578 F.2d 727, 731, n.4 (8th Cir. 1978). But see, *Schwinn Bicycle Co. v. Murray Ohio Mfg. Co.*, 339 F.Supp. 973, 982 (M.D. Tenn.) (following *Tillamook* and the subsequently overruled *Morrell* decision, and noting *Tillamook*'s reliance on the 2d Ed. of Callman which, as described herein, is no longer Callman's position), aff'd per curiam on other grounds, 470 F.2d 975 (8th Cir. 1972).

The direct conflict among the circuits with regard to incontestability should be resolved by this Court because it frustrates the purpose of Lanham Act and creates intolerable inconsistencies in the conduct of business by those subject to federal trademark protection.

In passing the Lanham Act Congress intended "to unify trademark law on a national basis." *Union Carbide v. Ever-Ready, Inc.*, *supra*, 531 F.2d at 376. Moreover, its purpose included the provision of substantive as well as procedural protection. The Senate Committee Report on the Act describes the purpose this way:

"There can be no doubt under the recent decisions of the Supreme Court of the constitutionality of a national act giving substantive as distinguished from merely procedural rights in trade-marks in commerce over which Congress has plenary power . . . a sound public policy requires that trade-marks should receive nationally the greatest protection that can be given. Sen. Rep. No. 1333, 79th Cong., 2d Sess (1946), U.S. Code Cong. Serv. 1946, p. 1277.

Union Carbide v. Ever-Ready, *supra*, 531 F.2d at 376. Also, the inclusion of the incontestability provisions defined important federal property rights for registrants whose marks qualified under §1065. See 4 Callman, *Unfair Competition, Trademarks and Monopolies* [93.3(c)]1(3d ed. 1970) at 598-605; *Union Carbide Corp. v. Ever-Ready, Inc.*, *supra*, 531 F.2d at 376.

Viewed against this background, it is essential that the clear conflict among the circuits be resolved by this Court. This is particularly so in view of the national character of businesses protected by the Lanham Act, as exemplified by contradictory decisions with regard to Petitioner's own business. In Massachusetts it has been determined that Park 'N Fly is entitled to rely on the incontestability status of its mark to have an infringer enjoined, and the infringer's defenses have been limited

to those enumerated in §1115(b). *Park 'N Fly, Inc. v. Park & Fly, Inc.*, 489 F.Supp. 422 (D. Mass. 1979). In Oregon, however, it has been determined in the instant case that the same company cannot affirmatively protect its incontestable mark and that the extra-statutory defense of mere descriptiveness is available to an alleged infringer of the incontestable mark.

This Court should resolve the conflicts.

The Ninth Circuit's Interpretation Of The Incontestability Provision Of The Lanham Act Is An Incorrect Application Of Federal Law

In addition to the grounds argued above, this Court should grant certiorari in this action to correct the Ninth Circuit's incorrect application of federal law.

As provided by the legislative history of the Lanham Act set forth above, and described in the *Union Carbide* decision, *supra* 531 F.2d at 376, the Lanham Act is the effort of Congress to make a uniform federal law of trademarks. The opinion below, as well as the *Tillamook* case upon which it relies, threatens this uniformity with the defensive/offensive dichotomy and the allowance of extra-statutory defenses to infringement actions based on incontestable marks.

In enacting §1115(b) of the Lanham Act, Congress provided that a registrant had the exclusive right to use its registered mark once that mark had become incontestable within the meaning of §1065. Congress then limited the defenses which may be mounted against an incontestable mark to the seven defenses enumerated in §1115(b). Nothing in the statute states or even implies that a registrant has an exclusive right only to defend its mark through the use of its incontestability status. As described above, the Ninth Circuit has judicially engrafted such a provision onto the Lanham Act in reliance on the subsequently overruled *Morrell* case, which itself relied upon a mistaken reading of the dicta in the *Rand McNally* case. As a result, a registrant is

deprived of the right to use its incontestable mark exclusively even though the Lanham Act provides for such exclusive use.

Moreover, there is no indication that Congress intended to establish any further defenses than the seven listed in §1115(b) with which to defend an infringement action. See, e.g., *Soweco, Inc., v. Shell Oil Co.*, *supra*, 617 F.2d 1178 (5th Cir. 1980); *Union Carbide Corp. v. Ever-Ready, Inc.*, *supra*, 531 F.2d 366 (7th Cir. 1976); *John R. Thompson Co. v. Holloway*, *supra*, 366 F.2d 108 (5th Cir. 1966).

By engrafting such a limitation of incontestability rights on one hand, and writing an expansion of rights onto the Lanham Act on the other hand, the Ninth Circuit threatens the integrity of federal trademark law and dilutes the rights of registrants thereunder.

This Court should correct the error.

CONCLUSION

For the foregoing reasons, petitioner respectfully requests that this Court grant the Writ of Certiorari.

Respectfully submitted,

Timothy F. Noelker
Counsel of Record

Alan E. Popkin
POPKIN, STERN, HEIFETZ,
LURIE, SHEEHAN, REBY &
CHERVITZ

7733 Forsyth Boulevard

22nd Floor

St. Louis, Missouri 63105

(314) 862-0900

DATED: January 10, 1984

APPENDIX

APPENDIX A

**UNITED STATES COURT OF APPEALS
FOR THE NINTH CIRCUIT**

No. 82-3220

D.C. No.
78-531-FR

Park 'N Fly, Inc.,
Plaintiff-Appellee,

vs.

Dollar Park and Fly, Inc.,
Defendant-Appellant.

OPINION

(Filed Oct. 13, 1983)

Appeal from the United States District Court
for the District of Oregon

Honorable Helen J. Frye,
United States District Judge, Presiding

Argued and Submitted: March 8, 1983

Before: KENNEDY, TANG, and POOLE, Circuit Judges.

KENNEDY, Circuit Judge:

Dollar Park and Fly, Inc. (Dollar) appeals from a judgment of the district court upholding the validity of the service marks registered by Park 'N Fly, Inc. (Park 'N Fly) and enjoining Dollar's use of the name "Park and Fly." We conclude that although there is insufficient evidence to invalidate Park 'N Fly's service marks, Park 'N Fly is not entitled to the injunctive relief given by the district court.

Park 'N Fly and Dollar both operate long term parking lots near airports and provide shuttle bus service to and from the airport terminals. Park 'N Fly has been in business since 1967 and has operations in St. Louis, Cleveland, Boston, Atlanta, Houston, Memphis, and San Francisco. Dollar has been in business since 1973 and operates only in Portland, Oregon.¹

In 1969 Park 'N Fly filed with the U.S. Patent and Trademark Office an application for registration of a service mark consisting of an airplane logo and the words "Park 'N Fly." The registration issued as Registration No. 919,591 in 1971, and Park 'N Fly obtained incontestable status for the mark in 1977. Later in 1977 Park 'N Fly filed an application for registration of a service mark consisting solely of the words "Park 'N Fly." That registration issued as Registration No. 1,111,966 in 1979.

Since the registration of its first mark, Park 'N Fly has been confronted with the rise of over a dozen airport parking lots operating under names akin to "Park and Fly." Park 'N Fly has procured a cessation of the use of the name in most cases through letters. In some cases, however, it has resorted to litigation. See, e.g., *Park 'N Fly, Inc. v. Park & Fly, Inc.*, 489 F. Supp. 422 (D. Mass. 1979).

Park 'N Fly filed this suit, and Dollar subsequently counterclaimed. After the issues were reduced to Park 'N Fly's request for an injunction and Dollar's request for an injunction and Dollar's request for the cancellation of Park 'N Fly's marks, the trial court found that Park 'N Fly's registrations were valid and that Dollar had infringed. The district court entered judgment enjoining Dollar from using the words "Park

¹ An independent company owned by the owners of Dollar provides the same service at the Seattle-Tacoma airport. We do not reach Dollar's claims with respect to the Washington operation in our resolution of this case.

and Fly," "Park & Fly," "Park (with an airplane depicted) Fly," "Fly and Park," or any other combination confusingly similar to "Park 'N Fly."

On the merits of the appeal, we begin by noting that the cases identify four categories of trademarks: (1) generic (or common descriptive), (2) merely descriptive, (3) suggestive, and (4) arbitrary or fanciful. See *Surgicenters of America, Inc. v. Medical Dental Surgeries Co.*, 601 F.2d 1011, 1014-15 (9th Cir. 1979) (citing *Abercrombie & Fitch Co. v. Hunting World, Inc.*, 537 F.2d 4, 9-11 (2d Cir. 1976)). A generic (or common descriptive) mark is one that refers, or has come to be understood as referring, to the genus of which the particular product or service is a species; a merely descriptive mark specifically describes a characteristic or ingredient of an article or service; a suggestive mark suggests rather than describes an ingredient, quality, or characteristic requiring imagination, thought, and perception to determine the nature of the goods; and an arbitrary or fanciful mark is usually a word or words invented solely for use as a trademark. *Surgicenters*, *supra*, 601 F.2d at 1014-15. A generic mark cannot become a registrable trademark under any circumstances, a merely descriptive mark can become a registrable trademark by acquiring a secondary meaning (i.e., becoming distinctive of the applicant's goods), and suggestive and arbitrary or fanciful marks are registrable without regard to secondary meaning. *Id.*; see also 15 U.S.C. § 1052(e), (f).

After a registered mark has been in continuous use for five years, the registrant may obtain incontestable status for the mark pursuant to 15 U.S.C. § 1065. Once a mark has become incontestable, registration is conclusive evidence of the registrant's exclusive right to use the registered mark subject only to the cancellation provisions of 15 U.S.C. § 1064 and the defenses enumerated in 15 U.S.C. § 1115(b). If an incontestable mark becomes generic, it may be cancelled pursuant to 15 U.S.C. § 1064(c), but an incontestable mark cannot be challenged for being "merely descriptive." See *Abercrombie & Fitch*

Co., *supra*, 537 F.2d at 12-13; *Park 'N Fly, Inc. v. Park & Fly, Inc.*, 489 F. Supp. 422, 424 (D. Mass. 1979).

In challenging the validity of Park 'N Fly's Registration No. 919,591, Dollar's argument is that "Park 'N Fly" is a generic mark with respect to airport parking lots. This court has addressed the standard for determining genericness in several cases. In *Surgicenters of America, Inc. v. Medical Dental Surgeries Co.*, 601 F.2d 1011 (9th Cir. 1979), we said: "If buyers take the word to refer only to a particular producer's goods or services, it is not generic. But if the word is identified with all such goods or services, regardless of their suppliers, it is generic." *Id.* at 1016. In *Anti-Monopoly, Inc. v. General Mills Fun Group*, 611 F.2d 296 (9th Cir. 1979), we said: "[T]he [challenged] trademark is valid only if 'the primary significance of the term in the minds of the consuming public is not the product but the producer.'" *Id.* at 302 (quoting *Kellogg Co. v. National Biscuit Co.*, 305 U.S. 111, 118 (1938)); see also *Anti-Monopoly, Inc. v. General Mills Fun Group, Inc.*, 684 F.2d 1316, 1319 (9th Cir. 1982), *cert. denied*, ___U.S. ___, 103 S. Ct. 1234 (1983).

Dollar's primary argument that "Park 'N Fly" is generic is based on the words themselves.¹ The words "park" and "fly" are both ordinary words, and at least the former, or some derivative, seems essential in describing the business. Further, the word "park" followed by a verb suggesting the activity to follow occurs frequently in commerce (e.g., "park and ride," "park and shop"). Dollar also presented some evidence, though not conclusive, that "park and fly" or some close variant has been used by a number of operators, and the business was referred to by participants at airport car rental agency conventions as the "park and fly" business.

¹ If "park and fly" is a generic term for the service offered by Park 'N Fly, the mark "Park 'N Fly," as a mere phonetic equivalent, is infirm as a service mark. See *Miller Brewing Co. v. G. Heileman Brewing Co.*, 561 F.2d 75, 81 (7th Cir. 1977), *cert. denied*, 434 U.S. 1025 (1978).

The above strongly suggests that the validity of Park 'N Fly's mark is questionable. It cannot compensate, however, for Dollar's failure to provide any evidence with respect to consumer perceptions. We must decide the case on the record before us, not on our own set of assumptions. Without evidence that to the consuming public the primary significance of the term is to denote the service Park 'N Fly offers and not its source, we are without a sufficient evidentiary basis to find Park 'N Fly's mark generic.

This distinguishes the present case from our decision in *Surgicenters*. On its face, the term "surgicenter" is a compound not necessarily more generic than "park and fly," and it would seem the two cases could be decided the same way. But the party attacking the trademark in *Surgicenters* made a record substantially different from that made by Dollar in this case. In *Surgicenters*, the trial court had before it forty-five exhibits which showed that in the medical community and for the consumer public generally, "surgicenter" was used in a generic sense. 601 F.2d at 1017. We noted that the district court in *Surgicenters* based its analysis on a careful examination of both dictionary definitions and substantial evidence of generic use by the consuming public. 601 F.2d at 1020. Such evidence was absent here.

Given the incontestable status of Park 'N Fly's Registration No. 919,951 and Dollar's failure to show that the mark is generic, we conclude that on this record the district court did not err in refusing to invalidate that mark.²

² Dollar argues that Registration No. 1,111,966 is cancellable without a showing of genericness in that it has not yet become incontestable. This argument follows from Dollar's position that since Dollar does not use the airplane logo of Registration No. 919,591, it infringes if at all only on Registration No. 1,111,966. This underlying proposition is disposed of, however, by our holding in *Carter-Wallace, Inc. v. Proctor & Gamble Co.*, 434 F.2d 794 (9th Cir. 1970),

Turning to the question of injunctive relief, we first consider the effect for this purpose of a mark's incontestable status. Park 'N Fly's argument that the incontestability of its mark entitles it to injunctive relief is based upon the Seventh Circuit's holding in *Union Carbide Corp. v. Ever-Ready, Inc.*, 531 F.2d 366 (7th Cir.), cert. denied, 429 U.S. 830 (1976), that "a plaintiff in an infringement action establishes conclusively, under § 1115(b), his exclusive right to use a trademark to the extent he shows his trademark has become incontestable under § 1065." *Id.* at 377 (emphasis supplied). The law in this circuit, however, is different. Under our holding in *Tillamook County Cream Ass'n v. Tillamook Cheese & Dairy Ass'n*, 345 F.2d 158, 163 (9th Cir.), cert. denied, 382 U.S. 903 (1965), a registrant can use the incontestable status of its mark defensively, as a shield to protect its mark against cancellation and to protect its right to continued use of the mark, but not offensively, as a sword to enjoin another's use. We recently reaffirmed this offensive/defensive distinction in *Prudential Insurance Co. of America v. Gibraltar Financial Corp. of California*, 694 F.2d 1150, 1153 (9th Cir. 1982), cert. denied, 51 U.S.L.W. 3919 (1983).

Although *Tillamook* is not express on the point, we believe the import of its rule to be that in an action for infringement a party can defend against the effect of federal registration by a showing that would suffice to cancel the mark in question were it not incontestable. Thus, Park 'N Fly's registration is of no import if its mark would not be entitled to continued registration but for its incontestable status.

that "a trademark infringer need not expropriate the entire mark of another to be guilty of an enjoined offense if the imitation is of the most salient feature of the mark in question." *Id.* at 801. Since the words "park and fly" constitute the most salient feature of Registration No. 919,591, any infringement on Registration No. 1,111,966 would also be an infringement on Registration No. 919,591. Thus, the cancellation of 1,111,966 would be an idle act, and we decline to consider it.

Anticipating this inquiry, Park 'N Fly argues that its mark is suggestive with respect to airport parking lots. We are unpersuaded. Given the clarity of its first word, Park 'N Fly's mark seen in context can be understood readily by consumers as an offering of airport parking—imagination, thought, or perception is not needed. Simply understood, "park and fly" is a clear and concise description of a characteristic or ingredient of the service offered—the customer parks his car and flies from the airport. We conclude that Park 'N Fly's mark used in the context of airport parking is, at best, a merely descriptive mark.

Park 'N Fly has made no claim that its mark has acquired a secondary meaning as contemplated by federal trademark law. Thus, Park 'N Fly's mark would not be entitled to continued registration but for its incontestable status, and its federal registration is of no import. Since Park 'N Fly has asserted no other basis for injunctive relief, we conclude that it is not entitled to have Dollar enjoined from using the name "park and fly."⁴

The district court's refusal to invalidate Park 'N Fly's marks is affirmed. The district court's injunction against Dollar is reversed.

AFFIRMED IN PART; REVERSED IN PART.

⁴ Dollar argues that it is entitled to rely on the prior innocent use exception of 15 U.S.C. § 1115(b) insofar as the Washington business operated by the owners of Dollar has been using "Park and Fly" since 1970, and it argues that there is no likelihood of confusion justifying an injunction insofar as Park 'N Fly has no present intention of expanding into the Pacific Northwest. Our disposition of this case makes it unnecessary for us to reach either of these issues.

APPENDIX B

**UNITED STATES DISTRICT COURT
DISTRICT OF OREGON**

Civil No. 78-531-FR

Park 'N Fly, Inc.,
a Missouri corporation,
Plaintiffs,

v.

Dollar Park and Fly, Inc.,
an Oregon corporation,
Defendants.

**FINDINGS OF FACT
AND
CONCLUSIONS OF LAW**

(Filed Jan. 25, 1982)

Paul L. Gardner
2029 Century Park East, Suite 1800
Los Angeles CA 90067

Owen D. Blank
Tonkon, Torp, Galen, Marmaduke & Booth
1800 Orbanco Building
Portland, OR 97204

Attorneys for Plaintiff

J. Pierre Kolisch
Kolisch, Hartwell & Dickinson
520 SW Yamhill Street, Suite 200
Portland OR 97204

Attorneys for Defendant

This case was tried by the court, without a jury, on September 22, 1981. After having heard and considered the testimony of the witnesses presented by both parties, the exhibits, the pleadings, the pretrial and post-trial memoranda filed by the parties, the court hereby enters the following findings of fact and conclusions of law.

Plaintiff Park 'N Fly, Inc. is a Missouri corporation having its principal place of business in St. Louis, Missouri. Defendant Dollar Park and Fly, Inc. is an Oregon corporation having its principal place of business in Portland, Oregon. Plaintiff seeks to permanently enjoin defendant's use of the words "Park and Fly" in connection with defendant's business. Plaintiff alleges trademark infringement in violation of 15 U.S.C. § 1051, et seq.

This court has jurisdiction pursuant to 15 U.S.C. § 1121 and 28 U.S.C. § 1338. Venue is proper.

In 1967 plaintiff began construction of a parking facility near the St. Louis, Missouri airport. Mr. Bloom, the chairman of the board of plaintiff, decided to call the parking facility "Park 'N Fly." Plaintiff contacted a trademark lawyer in St. Louis and was advised that there were no other users of the mark "Park 'N Fly." In 1968 plaintiff received a State of Missouri registration for the "Park 'N Fly" mark. On August 13, 1969, plaintiff filed its application for federal registration of its "[airplane logo] Park 'N Fly" mark.

Because plaintiff's business in St. Louis prospered, plaintiff set about opening five other facilities. By August, 1971 plaintiff was operating airport parking facilities under its "Park 'N Fly" mark in five cities in the United States: St. Louis, Cleveland, New Orleans, Houston, and San Francisco. On August 31, 1971 plaintiff's federal registration number 919,591 was issued for its "[airplane logo] Park 'N Fly" mark. In March, 1977 plaintiff forwarded an affidavit under 15 U.S.C. § 1065 to establish "incontestable" status for its number 919,591 mark. The affidavit was received by the Patent and Trademark office on April 24, 1977 and filed on May 25, 1977.

Plaintiff's second registration, number 1,111,956, was registered on January 23, 1979 upon an application filed December 23, 1977. This registration was for only the words "Park 'N Fly," without the logo.

Defendant is licensed to do business in Oregon as Dollar Park and Fly, dba Park and Fly, an Oregon corporation. It is owned by James and Doris Cassan. Mr. and Mrs. Cassan also own Dollar Rent A Car in Seattle, Washington, dba Dollar Park and Fly. The Portland and Seattle businesses offer parking lot services adjacent to the Portland International Airport and the Sea-Tac International Airport respectively.

Defendant has been using the words "park" and "fly" in connection with its business in Portland since 1973. Mr. Cassan, without prior knowledge of plaintiff's use of the words "Park 'N Fly" began using the words "park" and "fly" on a sign on the parking lot office of the Seattle company in 1970. That sign has been in use until the time of trial. The defendant uses the words "park and fly," "park & fly," and "park (with an airplane depicted) fly."

Plaintiff and defendant, in addition to renting parking spaces, provide transportation for their customers from their parking lots to the airports and from the airports back to the parking facilities. Both plaintiff and defendant place the words "airport parking" on their signs to inform the public of the nature of the services they offer. In newspaper and magazine articles about the plaintiff, the plaintiff is identified by both its mark and a descriptive identification of its services. Beginning in late 1971 or early 1972, infringers began using marks and names similar to "Park 'N Fly." Plaintiff has sent cease and desist letters to all such infringers who came to plaintiff's attention, and plaintiff has opposed in court those who would not voluntarily cease use of the similar mark or name.

Plaintiff uses its marks in all of its advertising. They appear on plaintiff's signs, shuttle buses, stationery, tickets, coupons,

flyers, customer comment brochures, envelopes and other brochures.

Plaintiff's certificates of registration numbers 919,591 and 1,111,956 constitute prima facie evidence of the validity of those registrations and plaintiff's ownership of the marks. 15 U.S.C. § 1057(b). Registration number 919,591 is incontestable. The defendant bears the burden of establishing such a defect as to overcome the presumption of validity. *Glomarene Products Corp. v. Boyle-Midway, Inc.*, 188 U.S.P.Q. 145, 164 (S.D.N.Y. 1975).

The defendant contends that it has sustained its burden by producing evidence that the words "Park 'N Fly" used in plaintiff's registration number 919,591 constitute a common descriptive or generic name for plaintiff's services, thereby making the registration unenforceable against defendant. Defendant also contends that the words "Park 'N Fly" in both registrations are also merely descriptive of the services offered by plaintiff, thereby making each registration unenforceable against defendant. Defendant contends that another company in privity with defendant has used the designation Park and Fly from a time prior to August 31, 1971, the date upon which registration number 919,591 was granted, and therefore the registration is invalid as against this defendant in this geographical area. Lastly, defendant claims it does not infringe either of the registrations because plaintiff has not proven likelihood of confusion in the marketplace.

An incontestable, registered mark cannot be challenged on the ground that it is invalid because it is merely descriptive. *Abercrombie & Fitch Co. v. Hunting World, Inc.*, 537 F.2d 4, 11 (2nd Cir. 1976); *Union Carbide Corp. v. Ever-Ready Inc.*, 531 F.2d 366, 377 (7th Cir. 1976); *Park 'N Fly, Inc. v. Park & Fly, Inc.*, 489 F.Supp. 422 (D. Mass. 1979). An incontestable mark can be challenged only on the grounds listed in 15 U.S.C. § 1115. Genericness of a mark is one of those grounds. This court finds that the words "Park 'N Fly" are not common descriptive

words and that these words do not constitute a generic mark. Defendant's contention that the incontestability only applies to the entire mark (words and logo) as described in registration number 919,591 and not to any portion (for example, words alone) has no merit. "Infringement does not require the exact copying of a mark. It is possible to infringe a service mark by adapting only the salient or dominant part of the mark, if to do so is likely to cause confusion." *WSM, Inc. v. Bailey*, 297 F.Supp. 870, 872 (M.D.Tenn. 1969). This court finds that the use of the words "Park 'N Fly" alone create the same, continuing, commercial expression as the words "Park 'N Fly" and the logo of the airplane. Therefore, the court finds that plaintiff's mark number 1,111,956 is also valid and is subject to protection because the words are part of the number 919,591 registration.

Defendant next contends that it has established the right to use "Park and Fly" under 15 U.S.C. § 1115(b)(5) by virtue of a Seattle company's use of "Park and Fly" dating back to November, 1970, some eight months prior to the issuance of plaintiff's registration number 919,591. 15 U.S.C. § 1115(b)(5) provides in pertinent part as follows:

"If the right to use the registered mark has become incontestable . . . the registration shall be conclusive evidence of the registrant's exclusive right to use the registered mark in commerce . . . except when one of the following defenses or defects is established:

...

"(5) That the mark . . . was adopted without knowledge of the registrant's prior use and has been continuously used by such party or those in privity with him from a date prior to registration . . . provided, however, that this defense . . . shall apply only for the area in which such continuous prior use is proved;"

Defendant contends that it is in privity with the Seattle company because the Seattle company is owned by Mr. and Mrs.

Cowan, who are also the owners of the defendant company. There is no evidence of privity between these two corporations.

Lastly, defendant contends it has not infringed because there is no likelihood of confusion. Evidence of actual confusion is not necessary.

On its face "Park and Fly" is virtually identical to "Park 'N Fly." The services provided by the two companies are precisely the same commercial services. The fact that the two companies operate in different geographical areas is not a defense. The owner of a federal registration must have the security of knowing that no one else may, henceforth, legitimately adopt his trademark and create rights in another area of the country superior to his own. This is especially true of something like airport parking where customers come from all parts of the country. A registrant of a valid trademark has rights in his mark even in areas in which he does not conduct business. *Old Dutch Foods, Inc. v. Dan Dee Pretzel & Potato Chip Co.*, 477 F.2d 150, 156 (6th Cir. 1973).

Plaintiff is entitled to a permanent injunction ordering the defendant to cease using the words "Park and Fly" and any other mark confusingly similar to "Park 'N Fly." The court deems Park & Fly, Park N Fly, Park 'N Fly, Fly and Park, or any similar combination to be confusingly similar. This injunction shall not prohibit the defendant from employing the words with an additional word in between, such as "Park, Shuttle, & Fly."

Counsel for plaintiff will prepare the appropriate order for disposition of this case.

DATED this 22 day of January, 1982.

/s/ Helen J. Frye
United States District Judge

JUDGEMENT, INJUNCTION AND COSTS

The above-captioned matter was tried by this Court, without a jury, on September 22, 1981, the Honorable Helen J. Frye, U.S. District Judge, presiding. The issues were duly tried, and the Court filed its Findings of Fact and Conclusions of Law on January 25, 1982.

It is hereby ordered, adjudged and decreed as follows:

(1) Plaintiff's Certificates of Registration in the United States Patent and Trademark Office, numbers 919,591 and 1,111,956 are valid; and Plaintiff is the owner of the mark "PARK 'N FLY."

(2) Defendant's use of the words "PARK AND FLY," "PARK & FLY," and "PARK (with an airplane depicted) FLY" constitute infringement of Plaintiff's registered service mark "PARK 'N FLY."

(3) The Defendant and its successors, assigns, officers, agents, employees, and all those in active concert or participation with the Defendant, are hereby ordered to cease using the words "PARK AND FLY," the words "PARK & FLY," the words "PARK (with an airplane depicted) FLY," and any other words or combination of words which are confusingly similar to Plaintiff's mark "PARK 'N FLY."

(4) The Defendant, its successors, assigns, officers, agents, employees, and all those in active concert or participation with the Defendant, are hereby permanently enjoined and restrained from using the words "PARK AND FLY," the words "PARK & FLY," the words "PARK (with airplane depicted) FLY," the words "FLY AND PARK," or any other combination of words which are confusingly similar to Plaintiff's mark "PARK 'N FLY."

(5) Plaintiff is hereby awarded its costs in prosecuting this litigation.

Dated this 2 day of April, 1982.

/s/ Helen J. Frye,
U.S. District Judge

RESPONDENT'S BRIEF

2
No. 83-1132

Office - Supreme Court, U.S.
FILED
FEB 16 1984
ALEXANDER L. STEVENS

In The
SUPREME COURT OF THE UNITED STATES
October Term, 1983

PARK 'N FLY, INC.,
Petitioner,

v.

DOLLAR PARK AND FLY, INC.
Respondent.

BRIEF IN OPPOSITION TO
PETITION FOR A WRIT OF CERTIORARI
TO THE UNITED STATES COURT OF
APPEALS FOR THE NINTH CIRCUIT

J. PIERRE SOLISCH
SOLISCH, HARTWELL,
DICKINSON & ANDERSON
200 Pacific Building
320 S.W. Yamhill Street
Portland, Oregon 97204
(503) 224-6655

Attorney for Respondent

February 14, 1984

QUESTION PRESENTED

Was it error for the Ninth Circuit to hold that an inherently descriptive mark, "Park 'N Fly" for an airport parking facility which had erroneously acquired incontestable status but had failed to achieve secondary meaning could not be enforced against another user who was in privity with a third party which had used the mark prior to registration of "Park 'N Fly"?

RULE 20.1 STATEMENT

Respondent Dollar Park and Fly, Inc. has no parent or subsidiaries, and identifies the following as affiliates:

Todd Investment Company
7271 N.E. Airport Way
Portland, Oregon 97218

Cassan Enterprises
17600 Pacific Highway South
Seattle, Washington 98188

Dollar Travel
17600 Pacific Highway South
Seattle, Washington 98188

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No. 83-1132

In The
SUPREME COURT OF THE UNITED STATES
October Term, 1983

PARK 'N FLY, INC.,
Petitioner,

v.

DOLLAR PARK AND FLY, INC.
Respondent.

BRIEF IN OPPOSITION TO
PETITION FOR A WRIT OF CERTIORARI
TO THE UNITED STATES COURT OF
APPEALS FOR THE NINTH CIRCUIT

STATEMENT OF THE CASE

This is an ordinary service mark
infringement case in which petitioner,
Park 'N Fly, Inc. (Park 'N Fly) asks this
Court to overturn the Ninth Circuit's
decision denying an injunction against

respondent, Dollar Park and Fly, Inc. (Dollar) for use of the words "Park-Fly" in connection with an offsite airport parking lot. The Ninth Circuit found that Dollar's use of the mark "Park-Fly" did not infringe Park 'N Fly's registrations because the words "Park 'N Fly" are merely descriptive of offsite airport parking lot services. The Ninth Circuit also found that "Park 'N Fly" had not acquired secondary meaning, but declined to cancel the registrations.

Factual Background

In 1969, Park 'N Fly filed a service mark application in the United States Patent and Trademark Office (PTO) to register the words "Park 'N Fly" and an airplane logo for offsite airport parking services. The parking service is

for persons who park a car near an airport and then fly from the airport.

Despite initial rejection in the PTO that the words "Park 'N Fly" were merely descriptive of the services, petitioner persuaded the PTO that the mark was registrable. The mark is a composite consisting of the words "Park 'N Fly" and the logo of an airplane. It issued in 1971 as Reg. No. 919,391 and in 1976, petitioner filed an affidavit under 15 U.S.C. §1065(3) to obtain incontestable status of the mark. Petitioner filed another application in 1977 to register only the words "Park 'N Fly," also for offsite airport parking services. That registration issued as Reg. No. 1,111,936 and is contestable.

In 1978, Mr. and Mrs. James Cossan, the owners of respondent, Dollar Park and

Fly, Inc. (Dollar), owned a Washington corporation which operated an offsite parking service near Sea-Tac Airport in Seattle, and used the words "Park-Fly" in connection with that service. Mr. Cassan testified that he used the words without knowledge of Park 'N Fly's use, and that the words were selected because they accurately described the business. In 1970 Mr. Cassan installed a sign at the Sea-Tac parking facility which said "Dollar Park [silhouette of an airplane] Fly" and that sign has been in continuous, unchanged use.

In 1973 the Cassans launched an Oregon corporation, respondent Dollar, which used the words "Park-Fly" to designate their offsite parking facility near Portland International Airport. The

Washington and Oregon corporations are completely owned by Mr. and Mrs. Cassan, both of whom have been actively engaged in management since the beginning. The corporations are run as a single business entity which includes car rental. The geographic area of those businesses extends from Bellingham, Washington to Salem, Oregon. The closest of petitioner's facilities is in San Francisco, which is a different market area.

Dollar's use of "Park-Fly" was in good faith and Mr. Cassan was aware of similar expressions such as "Park 'N Shop," "Park 'N Ride," etc. He never heard of Park 'N Fly's mark until 1976 or 1977. There has not been a single instance of confusion between Park 'N Fly's and Dollar's parking facilities, even though they have coexisted for more than 10 years.

Many other operators of airport parking facilities throughout the country also used "Park-Fly" to describe their facilities. For example, from 1970 to date of trial, at least 20 other operators of airport parking facilities have used the expression "Park-Fly" or its equivalent to describe their facilities. Mr. Bloom, President of Park 'N Fly, testified that there were about 100 offsite parking facilities in the United States. Thus, approximately 10% of those facilities have used the words "park" and "fly." Mr. Cassan's selection of the words was in accord with that of numerous other operators who found the designation "Park and Fly" a good shorthand way of saying "park your car and fly from the airport." There was testimony from several witnesses

that offsite airport parking facilities in various parts of the country, including Denver, Atlanta, Philadelphia, Boston and New York had used the words "park" and "fly" in the name of the service because they succinctly and accurately describe the business.

REASONS FOR DENYING THE PETITION

I.

The Ninth Circuit's Refusal
to Enforce an Inherently
Unregistrable Mark is
Correct in Law and Fact

The Ninth Circuit found that the
mark "Park 'N Fly" is merely descriptive
718 F.2d 328 (A-7):

. . . Park 'N Fly argues that its
mark is suggestive with respect
to airport parking lots. We are
unpersuaded. Given the clarity
of its first word, Park 'N Fly's
mark seen in context can be
understood readily by consumers
as an offering of airport parking-
imagination, thought, or
perception is not needed. Simply

understood, "park and fly" is a clear and concise description of a characteristic or ingredient of the service offered-the customer parks his car and flies from the airport. We conclude that Park 'N Fly's mark used in the context of airport parking is, at best, a merely descriptive mark.

In addition to being inherently unregistrable, "Park 'N Fly" did not and could not achieve secondary meaning because of widespread concurrent use by others to describe their airport parking facilities.

The Ninth Circuit's decision is in accordance with Tillamook County Creamery Ass'n. v. Tillamook Cheese & Dairy Ass'n., 345 F.2d 158 (9th Cir. 1965), cert. denied, 382 U.S. 903 (1965), Wrist-Rocket Mfg. Co., Inc. v. Saunders Archery Co., 516 F.2d 846, 851 (8th Cir. 1975), cert. denied, 423 U.S. 870 (1975) and Prudential Insurance Co. v. Gibraltar Financial

Corp., 694 F.2d 1150 (9th Cir. 1982), cert. denied, ___ U.S. ___, 103 S.Ct. 3538 (1983).

Park 'N Fly argues that because Reg. No. 919,591 is incontestable, the "merely descriptive" defense is unavailable, citing Union Carbide Corp. v. Ever-Ready, Inc., 531 F.2d 366 (7th Cir. 1976), cert. denied, 429 U.S. 830 (1976). However, Ever-Ready involved substantially different facts because the "Eveready" mark was not found to be merely descriptive and had achieved secondary meaning.

The only reason "Park 'N Fly" achieved incontestable status was that during the ex parte proceeding which simply involved filing a self serving affidavit, the PTO was unaware of the widespread use by others of the same mark. At the trial,

petitioner never even tried to prove secondary meaning but relied completely on incontestability. The courts are not bound by the PTO's error in granting incontestability.

II.

Reversal of the Holding of the Ninth Circuit Would Not Change the Result Below

A. Dollar has Established a Defense to Infringement Under §1115(b)(5)

Even if there is a conflict among circuits on the "defensive/offensive" distinction, resolution of that conflict is irrelevant to the ultimate outcome of this case because the case may be decided on other grounds. Specifically, Dollar introduced un rebutted evidence that it was in privity with the Seattle corporation with respect to use of the "Park-Fly"

designation. Thus, even if Park 'N Fly's Reg. No. 919,591 is incontestable under 15 U.S.C. §1065, Dollar should be permitted to continue to use "Park-Fly" pursuant to the defense set forth in §1115(b)(5)¹.

¹ §1115(b)(5) provides:

If the right to use the registered mark has become incontestable under section 15 hereof, the registration shall be conclusive evidence of the registrant's exclusive right to use the registered mark in commerce on or in connection with the goods or services specified in the affidavit filed under the provisions of said section 15 subject to any condition or limitations stated therein except when one of the following defenses or defects is established: . . . (5) That the mark whose use by a party is charged as an infringement was adopted without knowledge of the registrant's prior use and has been continuously used by such party or those in privity with him from a date prior to registration of the mark under this Act or publication of the registered mark under subsection (c) of section 12 of this Act: Provided, however, That this defense or defect shall apply only for the area in which such continuous prior use is proved;

. . .

Mr. Cassan's un rebutted testimony was that the Seattle and Portland businesses have common ownership, Mr. and Mrs. Cassan being the only stockholders. Mr. Cassan also testified that the marketing area of his parking lot facilities was from Bellingham, Washington to Salem, Oregon. The uncontradicted testimony was that the Cassan's closely related Seattle corporation had been using "Park-Fly" since prior to registration of Reg. No. 919,591.

Because of the common ownership, Dollar is in privity with the Seattle corporation which had a bona fide use of the mark prior to Park 'N Fly's registration of No. 919,591. Dollar is thus entitled to assert as a valid defense the exception set forth in paragraph (5) of 15 U.S.C. §1115(b).

B. Park 'N Fly and Dollar Operate Their
Offsite Parking Lot Services in
Disparate Market Areas

There were no instances of confusion between Park 'N Fly and Dollar despite 10 years of concurrent use because the parties operate in disparate marketing areas. Park 'N Fly's closest facility is San Francisco, and the uncontradicted testimony was that Seattle/Portland is a distinct market from San Francisco. Nor was there any evidence that Park 'N Fly's "reputation zone" extended into the Seattle/Portland area. Wiener King v. The Wiener King Corp., 192 USPQ 353, 355 (3rd Cir. 1976), cert. denied, 430 U.S. 916 (1977).

Under controlling case law, if an owner of a federally registered mark and an unauthorized user of that mark are in geographically separate markets with no

present prospect that the owner of the mark will expand into the market of the other user, then there is no likelihood of confusion. The owner of the mark is not entitled to an injunction against continued use by the other party of the mark in his market area. The leading case on this point is Dawn Donut Company v. Hart's Food Stores, Inc., 267 F.2d 358 (2nd Cir. 1959), which was expressly followed in Continente v. Continente, 378 F.2d 279, 282 (9th Cir. 1967). Accord, American Foods, Inc. v. Golden Flake, Inc., 312 F.2d 619 (5th Cir. 1963).

III.

A Recent Case Points Out that
the Seven Defenses of §1115(b)
are not All-Inclusive
Against an Incontestable Mark

Park 'N Fly argues that its right
to use of the mark is subject only to the
cancellation provisions of 15 U.S.C. §1064

and the defenses enumerated in 15 U.S.C. §1115(b), and that the Ninth Circuit's failure to enjoin Dollar sanctions a defense not enumerated in §1115(b).

Dollar submits that the Ninth Circuit's interpretation of the affect of incontestability is correct, and that the defense of "mere descriptiveness" can be used, especially in a case such as this - where Park 'N Fly has not demonstrated that its mark has acquired secondary meaning. Defenses or exceptions other than those set forth in 15 U.S.C. §1115(b) are available. The incontestability provision of the Lanham Act, 15 U.S.C. §1065 (Section 15) includes another defense. That section states that a mark shall be incontestable:

. . . except to the extent, if any, to which the use of a mark registered on the principal register infringes a valid right acquired under the law of any State

or Territory by use of a mark or trade name continuing from a date prior to the date of the publication under this Act of such registered mark.


That exception was recently considered by the Fourth Circuit in MarCon, Ltd. v. Helena Rubenstein, Inc., 694 F.2d 953 (4th Cir. 1982). Defendant had obtained incontestable status of its federal registration before plaintiff's federal registration. The Court discussed the language of Section 15 and held that the district court had failed to consider the application of that provision as it bore on the incontestable registration. The point here is that within the Lanham Act itself - Section 15 - is another exception or defense to a registrant's exclusive right to use a registered mark and the defenses to infringement,

contained in §1115(b), are not all-inclusive.

CONCLUSION

For the reasons set forth above, respondent respectfully requests that this Court deny the Petition for a Writ of Certiorari.

Respectfully submitted,


Pierre Kolisch

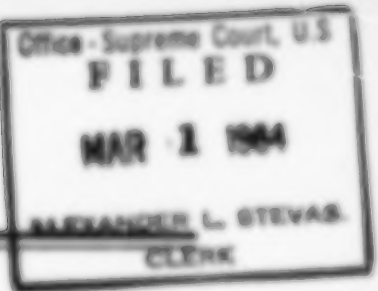
KOLISCH, HARTWELL,
DICKINSON & ANDERSON
200 Pacific Building
520 S.W. Yamhill Street
Portland, Oregon 97204
(503) 224-6655

Attorney for Respondent

February 14, 1984.

REPLY BRIEF

3
No. 83-1132



IN THE
Supreme Court of the United States

OCTOBER TERM, 1983

PARK 'N FLY, INC.,
Petitioner,

vs.

DOLLAR PARK AND FLY, INC.,
Respondent.

**PETITIONER'S REPLY TO RESPONDENT'S
BRIEF IN OPPOSITION TO
PETITION FOR A WRIT OF CERTIORARI
TO THE UNITED STATES COURT OF APPEALS
FOR THE NINTH CIRCUIT**

TIMOTHY F. NOELKER
Counsel of Record

ALAN E. POPKIN
POPKIN, STERN, HEIFETZ,
LURIE, SHEEHAN, REBY &
CHERVITZ
7733 Forsyth Boulevard
22nd Floor
St. Louis, Missouri 63105
(314) 862-0900
*Counsel for Petitioner
Park 'N Fly, Inc.*

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Introduction

Petitioner respectfully submits this reply to address a novel argument raised by respondent in its opposition to the Petition for Writ of Certiorari and to correct factual assertions made by the respondent in its opposition.

I.

**Respondent's Argument That A Recent Case Points
Out That The Seven Defenses Of §1115(b) Are Not
All-Inclusive Against An Incontestable Mark Is In Error.**

Respondent relies on the recent Fourth Circuit case of *Mar-Con, Ltd. v. Helena Rubenstein, Inc.*, 694 F.2d 953 (4th Cir. 1982) in an attempt to show that the Fourth Circuit has, like the Ninth, allowed extra-statutory defenses to an infringement ac-

tion based on an incontestable mark. Such an argument reflects an incorrect reading of that case, as well as an incorrect reading of the Lanham Act.

In *MarCon*, the Court focused on whether a mark could initially be considered incontestable under 15 U.S.C. §1065 in accordance with the terms of that section establishing incontestability. Under §1065 a trademark may not become incontestable if, *inter alia*, it infringes a valid prior right which has been established under state law. Once a mark is established to be incontestable in accordance with §1065, however, the defenses to an infringement action are limited by 15 U.S.C. §1115(b). In *MarCon*, the Fourth Circuit reversed an award of summary judgment because the trial court had not considered the prior trademark rights which had been established pursuant to state law in its initial determination of whether the mark was incontestable. The Court specifically did "not reach the question of whether the defendant's registration was otherwise incontestable." *MarCon, Ltd. v. Helena Rubenstein, Inc.*, *supra* 694 F.2d at 955.

The instant case is quite different. The mark of Park 'N Fly, Inc. was found by both the trial court and the Ninth Circuit to be incontestable under §1065. Indeed, the Court of Appeals held Park 'N Fly's mark to be incontestable and, moreover, found that it was without a sufficient basis to invalidate the mark on the ground that it was generic. *Park 'N Fly, Inc. v. Dollar Park and Fly, Inc.*, 718 F.2d 327, 330 (9th Cir. 1983).¹ The Ninth Circuit then went on to find that the mark was merely descriptive, and acknowledged that its entertainment of the defense of mere descriptiveness was in direct conflict with the Seventh Circuit's holding in *Union Carbide Corp. v. Ever-Ready, Inc.*, 531 F.2d 366 (7th Cir.), *cert. denied*, 429 U.S. 830 (1976). *Park 'N Fly, Inc. v. Dollar Park and Fly, Inc.*, *supra*, 718 F.2d at 331.

¹ The defense that an incontestable mark has become generic is within the purview of §1115(b).

The question, then, is whether a non-statutory defense should be allowed once incontestability of a mark is established. The Fourth Circuit decision in *MarCon* provides no help to respondent herein because it is consistent with the statutory scheme of the Lanham Act. In fact, in *MarCon* the Fourth Circuit expressly followed the *Union Carbide*. Respondent's argument therefore provides no basis for this Court to deny certiorari.

II

Respondent's Factual Argument That There Is No Likelihood Of Confusion Between The Marks Is Misplaced.

The respondent argues that this is not a proper case for Supreme Court review because there is in fact no likelihood of confusion between the two marks because petitioner does not have a facility in Portland, Oregon. Such an argument is contrary to the findings in this case, from which respondent itself does not appeal, and is also contrary to well settled law.

It must be emphasized that, as the trial court concluded in the instant case, "[a] registrant of a valid trademark has rights in his mark even in areas in which he does not conduct business. *Old Dutch Foods, Inc. v. Dan Dee Pretzel & Potato Chip Co.*, 477 F.2d 150, 156 (6th Cir. 1973)". *Park 'N Fly, Inc. v. Dollar Park and Fly*, Civil No. 78-531-FR, Slip Op. at p. 5 (January 25, 1982) (*see*, Pet. App. at p. A-13). Moreover, the trial court found that Park 'N Fly has rapidly expanded since its inception and, further, that the very nature of Park 'N Fly's market involves dealing with customers who travel from city to city. Therefore, even under the cases cited by respondent, Park 'N Fly would be able to enjoin the infringement by Dollar Park and Fly. For example, in *Dawn Donut Co. v. Hart's Food Stores, Inc.*, 267 F.2d 358, 364-365, the Court refused to enjoin an allegedly infringing use because there was *no* present likelihood of expanded use of the mark. Moreover, the Court in *Dawn Donut* held that the plaintiff could later, "upon a proper show-

ing of an intent to use the mark at the retail level in defendant's market area, be entitled to enjoin defendant's use of the mark." *Id.* at 365. Accord, *Continente v. Continente*, 378 F.2d 279, 282 (9th Cir. 1967); *American Foods, Inc. v. Golden Flake, Inc.*, 312 F.2d 619, 624-627 (5th Cir. 1963).¹

CONCLUSION

Respondent's opposition to Park 'N Fly's petition provides no sound reasons for this Court to deny certiorari. Moreover, Park 'N Fly's petition and the entire record squarely present a discreet and important legal conflict which requires resolution by this Court.

Respectfully submitted,

Timothy F. Noelker
Counsel of Record

Alan E. Popkin
Popkin, Stern, Heifetz, Lurie,
Sheehan, Reby & Chervitz
7733 Forsyth Boulevard
22nd Floor
St. Louis, Missouri 63105
(314) 862-0900

Counsel for Petitioner
Park 'N Fly, Inc.

February 29, 1984

¹ Respondent also argues that review by this Court would not change the result below because it was in privity with a prior use of the mark. Respondent made this argument as to privity at trial, however, and lost. The Court specifically found no evidence of privity, *Park 'N Fly v. Dollar Park and Fly, supra*, Pet. App. at pp. A-12-13, and the Ninth Circuit did not treat the issue.

AMICUS CURIAE

BRIEF

4

No. 83-1132

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In the Supreme Court

OF THE

United States

OCTOBER TERM, 1983

PARK 'N FLY, INC.,
Petitioner,

vs.

DOLLAR PARK & FLY, INC.,
Respondent.

On Writ of Certiorari to the United States
Court of Appeals for the Ninth Circuit

**BRIEF ON BEHALF OF THE AMERICAN
INTELLECTUAL PROPERTY LAW ASSOCIATION
AND THE PATENT, TRADEMARK AND COPYRIGHT
SECTION OF THE STATE BAR OF CALIFORNIA
AS AMICI CURIAE IN SUPPORT OF PETITIONER**

J. THOMAS MCCARTHY
c/o University of San
Francisco School of Law
San Francisco, CA 94117
(415) 686-6517

*Of Counsel to The American
Intellectual Property Law
Association and the Pat-
ent, Trademark and Copy-
right Section of the State
Bar of California*

AMERICAN INTELLECTUAL
PROPERTY LAW ASSOCIATION
Suite 303
2001 Jefferson Davis Highway
Arlington, VA 22202
(703) 521-1690
PATENT, TRADEMARK AND
COPYRIGHT SECTION OF THE
STATE BAR OF CALIFORNIA
505 Franklin Street
San Francisco, CA 94102-4436
(415) 561-8300

BURNESS OF SAN FRANCISCO, INC. • 100 NORTH ST. • S.F., CA 94102 • (415) 398-0200

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No. 83-1122

In the Supreme Court

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OCTOBER TERM, 1983

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DOLLAR PARK & FLY, INC.,
*Respondent.*On Writ of Certiorari to the United States
Court of Appeals for the Ninth Circuit

**BRIEF ON BEHALF OF THE AMERICAN
INTELLECTUAL PROPERTY LAW ASSOCIATION
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SECTION OF THE STATE BAR OF CALIFORNIA
AS AMICI CURIAE IN SUPPORT OF PETITIONER**

INTEREST OF AMICI CURIAE

The American Intellectual Property Law Association (AIPLA) is a national society of more than 4800 lawyers engaged in the practice of patent, trademark, copyright, licensing, and related fields of law affecting intellectual property rights. AIPLA was formerly known as the American Patent Law Association. AIPLA membership includes lawyers in private, corporate, and government practice; lawyers associated with universities, small business, and large business; and lawyers active in both the domestic and international transfer of technology.

The Patent, Trademark and Copyright Section of the State Bar of California is a voluntary association of California attorneys who specialize in intellectual property law. Member attorneys represent owners of intellectual property as well as those who have an interest in the use of intellectual property.

Amici have a vital interest in the consistency, predictability and stability of the status of, and legal principles governing, federally registered trademarks. The issues in this case have a significance far beyond the two parties. Resolution of this case will have an impact upon both the domestic and international trade of the United States.

Representing the interests of intellectual property lawyers nationwide and those of California attorneys practicing intellectual property law in the Ninth Circuit, Amici have a special interest in the holding below that the incontestability status of federally registered marks has no "offensive" effect in litigation in the Ninth Circuit, since this is contrary to the rule prevailing in other circuits in the United States. In view of the importance of a consistent national rule governing the effect of the incontestability status of federally registered marks, the AIPLA and the Patent, Trademark and Copyright Section of the State Bar of California respectfully file this brief in support of Petitioner.

Pursuant to Supreme Court Rule 36.2, letters of consent to file this brief have been filed with the Clerk of this Court.

STATEMENT OF THE CASE

The relevant facts will be set forth in Petitioner's brief and are in the District Court decision below reported at

217 U.S.P.Q. 968 (D. Or. 1982) and in the Court of Appeals decision below reported at 718 F.2d 327 (9th Cir. 1983).

SUMMARY OF ARGUMENT

The Lanham Trademark Act provides that after five years continuous use from the date of federal registration, a mark may achieve the status of "incontestability". The registration then "shall be conclusive evidence of the registrant's exclusive right to use the registered mark. . .", subject to numerous statutory exceptions. The Ninth Circuit Court of Appeals in this case relied upon a so-called "offensive/defensive" distinction to refuse to enforce the "incontestability" provisions of Lanham Trademark Act § 33(b), 15 U.S.C. § 1115(b). That is, the Ninth Circuit held that "incontestability" status does not preclude a defendant in infringement litigation from challenging the validity of the plaintiff's registered mark on the ground that it is descriptive and lacks secondary meaning.

Amici take the position that the "offensive/defensive" distinction eviscerates the provisions of Lanham Act § 33(b), 15 U.S.C. § 1115(b), is an improperly narrow reading of the Lanham Trademark Act as a whole and is contrary to the weight of authority. Amici urge the Court to reverse the Ninth Circuit's view of the effect of incontestability status in trademark litigation.

ARGUMENT

I

INCONTESTABILITY STATUS IS A MODEST AND REASONABLE STATUTORY PROVISION FOR STABILITY OF VALIDITY OF TITLE TO REGISTERED MARKS

A. Incontestability Status Is Not as Broad as the Label Implies

The Ninth Circuit here refused to permit "incontestable" status to be used "offensively" by a plaintiff-registrant in litigation to shield the validity of its mark from the type of challenge made by defendant-respondent. The Ninth Circuit's view might be defended by some as a reasonably narrow interpretation of a statutory conclusive presumption which erects a formidable and airtight barrier to challenges to the validity of a mark. But such a defense of the decision below would reveal a misunderstanding of the relatively modest and small shield, or sword, as the Court of Appeals would have it, provided by the incontestability provisions of the Lanham Trademark Act.

The label of "incontestable" is misleading. It implies, as the Court of Appeals apparently assumed, that once a registration of a mark has achieved "incontestable" status, the validity of the mark is immune from any legal challenge. The label also carries with it the implication that all the registrant need do to prove infringement is to introduce the registration into evidence. Both these implications from the label alone are quite erroneous. When the statute is examined in depth, the conclusion is inescapable that "incontestability" is a much more modest attempt by Congress to bring a small degree of stability and predictability

to title and ownership of marks. Yet even this modest degree of commercial predictability has been rejected by the Ninth Circuit.

B. The History of Incontestability

Use of the term "incontestable" in the Lanham Act is a historical anomaly.¹ As it appeared in early versions of bills, the label "incontestable" had some degree of accuracy, for earlier versions did in fact afford the registrant a great degree of immunity from legal defenses. However, in the years of amendments of bills in Congress, various restrictions and exceptions were appended. The legal impact of "incontestability" was diluted, yet the label of "incontestability" remained. See Ooms & Frost, *Incontestability*, 14 *Law & Contemporary Prob.* 220 (1949); Robert, *The New Trademark Manual*, 133-134 (1947). "Incontestability" as it emerged in the Lanham Trademark Act as signed by President Truman in 1946, resembled a small shield more than a formidable sharp sword.

Similar to a previous British Act, the incontestability provisions were intended to permit "registration to ripen into something more substantial than a mere claim". Fletcher, *Incontestability and Constructive Notice: A Quarter Century of Adjudication*, 63 *Trademark Rep.* 71, 72 (1973). The principal legislative force behind the 1946 Trademark Act was Representative Lanham, whose name is often appended to the Act. Representative Lanham stated that the incontestability feature of the Act was "one

¹For a general description of the history and outline of the incontestability provisions, see E. McCarthy, *Trademarks and Unfair Competition*, § 22-44 (2d Ed. 1964).

of the valuable new rights created by the Act. . . ." 92 Cong. Rec. 7524 (June 25, 1946).

The theory of a limited degree of incontestability has been analogized to recording title to real estate. That is, once a federal registration has matured into the status of "incontestability", certain challenges to title are foreclosed. *Ooms & Frost, Incontestability*, 14 Law & Contemporary Prob. 230, 232 (1949). The obvious purpose of Congress was to provide at least a limited degree of stability of title, ownership and validity to registered marks which had matured through usage. This is reflected in the view of the Senate Committee which concluded that then-recent decisions of the Supreme Court made it clear that a federal law "giving substantive as distinguished from merely procedural rights in trademarks" was within the constitutional powers of Congress. S. Rep. No. 1333, 79th Cong., 2d Sess. (1946), U.S. Code Cong. Serv., 1277. Even if a limited conclusive presumption of validity of a registered mark is viewed as "substantive" rather than "procedural", it is clear that Congress in 1946 was of the view (and correctly so) that it had such power under the Commerce Clause.

C. The Statutory Structure of Exceptions to Incontestable Status

The structure of the Lanham Trademark Act is to state the broad principle of incontestability in §§ 15 and 33(b) [15 U.S.C. §§ 1065, 1115(b)], but to qualify that "conclusive evidence" by a plethora of exceptions. This is analogous to the structure of the 1976 Copyright Act, which broadly lists the exclusive rights of a copyright owner in 17 U.S.C. § 106, and then recites exceptions to those broad

rights in §§ 107 through 115. While the exceptions to incontestability in the Trademark Act are not elegantly arranged, the impact is fairly clear. While § 33(b) [15 U.S.C. § 1115(b)] lists seven exceptions to incontestability, it seems clear that § 33(b) incorporates by reference the exceptions of § 15 [15 U.S.C. § 1065]. Section 15 in turn incorporates the exceptions of § 14(c) and (e) [15 U.S.C. 1064(c) and (e)]. Section 14 in turn incorporates by reference the exceptions of § 2(a), (b) and (c) and § 4 [15 U.S.C. §§ 1052(a) (b) & (c), 1054]. As many as 21 possible exceptions to incontestability status have been listed, although this may involve some double counting. *Williamson, Trademarks Registered under the Lanham Act are Not "Incontestable"*, 37 Trademark Rep. 404 (1947).

Most of the case law revolves around the seven "defenses or defects" listed in § 33(b) [15 U.S.C. § 1115(b)]. Legislative history supports the view that proving a "defense or defect" reduces the status of the conclusive presumption down to *prima facie*, with the challenger then raising any common law defense as permitted under § 33(a). While most courts "take the shortcut" and treat the exceptions as defenses on the merits, this is harmless in most cases.

D. Incontestability: Validity Distinguished from Infringement

Trademark infringement litigation usually involves two basic issues: validity and infringement. This is loosely analogous to "title" and "trespass". While the "exclusive right to use" language of § 33(b) might be read to impart upon infringement issues as well as validity issues this is not a reasonable interpretation. "Incontestability" is

limited to the validity of the mark and does not eliminate the necessity of the registrant to prove infringement by likely confusion caused by defendant's conduct. See, e.g., *United States Jaycees v. Philadelphia Jaycees*, 630 F.2d 134, n.3 (3rd Cir. 1981). In the present case, the question of likely confusion caused by respondent's use of an almost identical mark on competitive services does not appear to be in issue. That is, here, only validity, and not infringement, is in issue. If petitioner has a valid mark, then likely confusion appears inevitable, and the district court so found.

Amici agree with the result, but not the reasoning, of the Ninth Circuit's later comments on incontestability in *Lindy Pen Co., Inc. v. Bic Pen Corp.*, 725 F.2d 1340 (9th Cir. 1984). There the court observed that there can be no trademark infringement liability, even as of an incontestably registered mark, in the absence of proof of a likelihood of confusion. 725 F.2d at 1347. While this is correct, it is not correct to reach this conclusion by reasoning that incontestability is never of any "offensive" use. Rather, the correct reason, as discussed above, is that incontestability status relates only to the validity of the mark. If the mark is a valid trademark property right, then the separate issue arises as to whether that right has been infringed. Likely confusion is then the issue and must be proven under the traditional legal criteria. The "offensive/defensive" distinction relating to incontestability is irrelevant to the infringement issue.

K. What Remains of Incontestability After the Statutory Exceptions Are Sorted Out?

The point Amici wish to make is that "incontestable" status is not an unreasonable and inordinate barrier to challenges to title and validity. What remains after the exceptions are sorted out is a modest and reasonable Congressional attempt to bring a moderate degree of certainty to valuable rights in commercial symbols—trademarks.

After all the exceptions are eliminated, what challenges to the validity of a mark are foreclosed by the status of "incontestability"?

(1) Equitable Defenses

Some argue that equitable defenses are foreclosed. Such was the apparent holding in *Prudential Insurance Co. v. Gibraltar Financial Corp.*, 694 F.2d 1150 (9th Cir. 1982), cert. den., ____ U.S. ____, 103 S. Ct. 3538, 77 L. Ed.2d 1380 (1983). However, there, the Ninth Circuit ignored the exception of § 34 [15 U.S.C. § 1116] that courts have the power to grant injunctions "according to the principles of equity". That is, regardless of incontestability, a court always retains the discretion to decline to issue an injunction or grant damages if an equitable defense is proven. See Comment, *Incontestable Trademark Rights and Equitable Defenses in Infringement Litigation*, 66 Minn. L. Rev. 1067 (1982).

(2) Claims of Prior Use

In a few cases, depending entirely upon the timing, extent of territorial use and total factual matrix, a senior user-non federal registrant may be foreclosed by incontestability in infringement litigation from challenging the

title of a junior user federal registrant. In many such cases, however, the exception of § 15 [15 U.S.C. § 1065] will prevent incontestability from precluding a challenge based upon priority of use. That is, § 15 excludes incontestability to the extent to which use of a registered mark infringes a valid prior right acquired under state law. This limitation would appear to trigger the elements of the "Too Close" common law defense articulated by this Court in *Hanover Star Milling Co. v. Metcalf*, 240 U.S. 403, 36 S. Ct. 257, 60 L. Ed. 713 (1916). See, e.g., *Wrist-Rocket Mfg. Co. v. Saunderson Archery Co.*, 578 F.2d 727 (9th Cir. 1978); *Armand's Suburp, Inc. v. Doctor's Associates, Inc.*, 604 F.2d 849 (4th Cir. 1979). See generally 2 McCarthy, *Trademarks & Unfair Competition*, §§ 26:18, 26:19 (2d ed. 1984). In *Tillamook Co. Creamery Assoc. v. Tillamook Cheese & Dairy Assoc.*, 345 F.2d 156 (9th Cir. 1965), the Ninth Circuit could easily have invoked the exception of § 15 (it quoted it without making use of it at 345 F.2d at 163, n.6) to resolve the case without the need to use the "offensive/defensive" distinction.

(3) The Challenge of Descriptiveness Without Secondary Meaning

Thus, we are left with the challenge to validity of a mark which arises on the facts of this case. That is, that incontestability precludes a defendant from attacking the validity of the plaintiff's mark on the ground that it is "descriptive" and lacks "secondary meaning". By borrowing the now-overruled "offensive/defensive" distinction of the Seventh Circuit, the Ninth Circuit in this case eliminated even this modest immunity from challenge. To affirm this decision would be to completely eviscerate even the modest

vestige of "incontestability" which remains after all the exceptions have been sorted out.

II

WHAT RATIONALES SUPPORT THE "OFFENSIVE/DEFENSIVE" DISTINCTION?

A. The Prudential Rationales

In its 1965 decision first adopting the "offensive/defensive" distinction, the Ninth Circuit offered no rationale underlying the rule. It merely borrowed it from the Seventh Circuit. *Tillamook Co. Creamery Assoc. v. Tillamook Cheese & Dairy Assoc.*, 345 F.2d 156, 163 (9th Cir. 1965). In its application of the rule in *Prudential Insurance Co. v. Gibraltar Financial Corp.*, 604 F.2d 1150 (9th Cir. 1982), cert. den., ___, U.S. ___, 603 S. Ct. 2539, 77 L. Ed.2d 1380 (1982), the Ninth Circuit stated two rationales: (1) The precedent of *Tillamook* must be followed unless "good reason counsels change"; and (2) the rule reflects a policy of the Ninth Circuit that the protection afforded trademarks should be as narrow as possible under a "preference to read the Lanham Act narrowly". This "narrow reading" was said to be rationalized by the fear that trademark protection "invites anticompetitive and irrational market behavior". 604 F.2d at 1153.

(1) The Adherence to Precedent Rationale

The first "reason" is without substance. The Ninth Circuit never stated a rationale in *Tillamook*, relying only upon a Seventh Circuit rule that had been overruled by the Seventh Circuit in 1976. This alone should have been a sufficient "reason" for the court to re-examine its dictum in *Tillamook*.

(2) The "Narrow Reading" Rationale

The second "reason" given for adherence to the "offensive/defensive" distinction is much more serious and Amici urge this Court to take this opportunity to disapprove of it now. The Ninth Circuit's unprecedented "narrow reading" rule is totally at odds with both the mainstream of trademark law and this Court's recent observations in *Inwood Laboratories v. Ives Laboratories*, 656 U.S. 64, 102 S. Ct. 2182, 73 L. Ed.2d 696 (1992). In footnote 14 of *Ives*, this Court endorsed the traditional pro-consumer goals of federal trademark law. In footnote 2 of Justice White and Marshall's concurrence in *Ives*, they recognized that, "[T]he purpose of the Lanham Act was to codify and unify the common law of unfair competition and trademark protection."

B. Trademark Protection Is Consistent with Free Market Policy

The Ninth Circuit's observation in *Prudential* that the dual goals of protecting trademarks from infringement and consumers from confusion is at odds with free market goals is quite wrong. Such a view merely rehashes the errors, on a superficial level, of the old debate over so-called "irrational" advertising. See discussion and citation of authorities on this debate in 1 McCarthy, *Trademarks & Unfair Competition* §§ 2:3; 2:10C (2d ed. 1984). Intellectual property courts had long ago assumed that the old debate over whether trademarks were inherently "anti-competition" had been resolved to everyone's satisfaction. This issue was much in the forefront of Congressional

debates over the Lanham Trademark Act. The Senate Committee reporting out the Lanham Act concluded that:

The matter has been approached with the view of protecting trademarks and making infringement and piracy unprofitable. This can be done without any misgivings and without the fear of fostering hateful monopolies, for no monopoly is involved in trademark protection. [S. Report, No. 1333, 79th Cong., 2d Sess. (1946).]

This Court has unequivocally stated that "a trademark confers no monopoly whatever in a proper sense". *United Drug Co. v. Theodore Rectanus Co.*, 248 U.S. 90, 98, 39 S. Ct. 48, 63 L. Ed. 141 (1918). The Fifth Circuit has remarked, "There is not now, nor has there ever been, a conflict between the antitrust law and trademark laws or the law of unfair competition." *Standard Oil Co. v. Humble Oil & Refining Co.*, 363 F.2d 945, 954 (5th Cir. 1966). Other authorities and commentators are agreed on this point. By its apparent "monopolypobia" the Ninth Circuit has questioned the very rationale for trademark protection. It has attempted to defend its "offensive/defensive" distinction under a rule of statutory interpretation that the less protection trademarks have, the better. This policy is devoid of reasoned support and is buried under the weight of contrary judicial, economic and legal opinion.

C. An "Anti-Trademark" Bias?

The recent apparent anti-trademark attitude of the Ninth Circuit revealed in this case and in *Prudential* are not totally isolated instances. In *Anti-Monopoly, Inc. v. General Mills Fun Group, Inc.*, 684 F.2d 1316 (9th Cir. 1982), cert. den., ____ U.S. ____, 103 S. Ct. 1234, 75 L. Ed.2d

468 (1983) (cited as authority by the Ninth Circuit in the present case), the court struck down the validity of a mark based in part on a so-called "motivation survey". The court in *Anti-Monopoly* apparently adopted the unprecedented rule that a consumer must know the corporate name of the trademark owner and be motivated to buy the product because it liked the X corporation's products. This newly-minted rule is completely at odds with the mainstream of trademark law. Trademark law has traditionally followed the rule that all that a mark need signify is a single, albeit anonymous source. See, e.g., *Dennison Mfg. Co. v. Thomas Mfg. Co.*, 94 F. 651, 656 (D. Del. 1899); *Fleischmann Distilling Corp. v. Maier Brewing Co.*, 314 F.2d 149, 155 (9th Cir. 1963); Restatement of Torts § 715, Comment b (1938). This unusual aspect of the *Anti-Monopoly* case has led to a storm of criticism. See, e.g., Greenbaum, Ginsburg & Weinberg, "A Proposal for Evaluating Genericism After *Anti-Monopoly*", 73 Trademark Rep. 101 (1983). The Court of Appeals for the Federal Circuit has specifically disagreed with this Ninth Circuit view. In *re DC Comics*, 689 F.2d 1042, 1054 (C.C.P.A. 1982) (J. Nies concurring). Amici urge the Court to seize this rare opportunity to direct the Ninth Circuit back into traditional legal waters.

D. Congressional Concern

Congressional response to the Ninth Circuit's attitude as revealed in the *Anti-Monopoly* decision underscores Amici's concern in this case with the consistency and rationality of national trademark law. Within the past year, bills have been introduced in both houses of Congress

to overturn the Ninth Circuit's *Anti-Monopoly* view of trademark law and even to take trademark cases away from the normal route of appeals. Senator Hatch introduced S. 1990 on Oct. 21, 1983 (See remarks of Sen. Hatch at Cong. Rec. S14378 (10-21-83), reprinted at 27 B.N.A. P.T.C.J. 17-22) and held hearings on February 1, 1984. (See 27 B.N.A. P.T.C.J. 358). Representative Kastenmeier introduced H.R. 4460 on November 17, 1983. (See remarks of Rep. Kastenmeier at Cong. Rec. E5700). H.R. 4460 would go further than the Senate Bill in that it would take trademark appellate jurisdiction away from the twelve federal circuit courts and give it exclusively to the Court of Appeals for the Federal Circuit. Representative Kastenmeier remarked that because the Supreme Court rarely hears trademark appeals, the House Judiciary Committee "runs the risk of becoming a quasi-judicial appellate forum for litigation losses incurred in the Federal judicial system or for unacceptable developments in trademark law such as arguably occurred in the Ninth Circuit in the *Anti-Monopoly* cases." Cong. Rec. E5700, Nov. 17, 1983 (reprinted at 27 B.N.A. P.T.C.J. 145-146, Dec. 8, 1983). Amici urge the Court to provide guidance to the appellate courts by reaffirming the traditional pro-competitive and pro-consumer rules of trademark law. In the absence of such guidance, Congress may have no choice but to divert all federal trademark appeals away from their traditional course.

III

THE "OFFENSIVE/DEFENSIVE" DISTINCTION IS IMPROPER STATUTORY INTERPRETATION

A. There Exists No Legally Supportable Rationale for the Distinction

The reality is that the "offensive/defensive" distinction has no defensible rationale. It is bad policy and erroneous statutory interpretation. See *Fletcher, Incontestability and Constructive Notice: A Quarter Century of Adjudication*, 63 Trademark Rep. 71, 96 (1973). But it might legitimately be asked, "Then why did the distinction survive from 1955 until 1976?" There are indeed "reasons", but they are not legally defensible "rationales". These reasons are mainly psychological, not legal. They are surveyed in McCarthy, *Important Trends in Trademark and Unfair Competition Law During the Decade of the 1970s*, 71 Trademark Rep. 93, 103-106 (1981). The distinction can be traced back to dictum in a 1955 opinion by the Assistant Commissioner of Patents, which was "ripped brutally out of context" by the Seventh Circuit in 1961. *Fletcher, Incontestability and Constructive Notice: A Quarter Century of Adjudication*, 63 Trademark Rep. 71, 93 (1973).

The "offensive/defensive" distinction is improper statutory interpretation for it means that the incontestability provisions of the Lanham Act have no independent vitality. If incontestability merely was a shield against cancellation, it was superfluous, for there already existed a statutory section defining the conditions for cancellation. To simply read § 33(b) out of the statute altogether cannot constitute reasonable statutory "interpretation" by the judiciary. As

Judge Jerome Frank remarked, "When a court, then, fails wholeheartedly to enforce a statute, it sets itself against our constitutional scheme, acts undemocratically". *Frank Courts on Trial*, 292 (1949).

B. The "Offensive/Defensive" Distinction Has Properly Been Rejected Outside the Ninth Circuit

In his well-reasoned 1976 opinion, Judge Pell of the Seventh Circuit overruled the 1961 *John Merrell* decision and rejected the "offensive/defensive" distinction. *Union Carbide Corp. v. Ever-Ready Inc.*, 531 F.2d 366 (7th Cir. 1976), cert. den., 429 U.S. 830. At almost the same time the Second Circuit reached a similar conclusion. *Abercrombie & Fitch Co. v. Hunting World Inc.*, 537 F.2d 4 (2d Cir. 1976). Other circuits have followed the *Eveready* decision. *Soweco, Inc. v. Shell Oil Co.*, 617 F.2d 1178 (5th Cir. 1980); *United States Jaycees v. Philadelphia Jaycees*, 639 F.2d 134 (3rd Cir. 1981). The Eighth Circuit appears to be undecided. *Wrist-Rocket Mfg. Co. v. Saunders Archery Co.*, 578 F.2d 727 (8th Cir. 1978). The U.S. Patent and Trademark Office follows the *Eveready* rule. *Amsul Co. v. Maltzer International Corp.*, 159 U.S.P.Q. 596 (T.T.A.B. 1978). Thus, the Ninth Circuit finds itself alone in clinging to the "offensive/defensive" distinction. Amici look to this Court to provide nationwide guidance for a proper and balanced implementation of the federal Lanham Trademark Act.

CONCLUSION

The only time the Ninth Circuit has articulated a rationale for the "offensive/defensive" distinction was in the *Prudential* case. The reasons offered there are not supportable and may even reveal an anti-trademark bias which is at odds with traditional law and policy. The modest

degree of security of title and validity provided by the incontestability provisions of the Lanham Trademark Act is clear on the face of the Act and in its legislative history. The Ninth Circuit should be corrected both as to the true meaning of "incontestability", as well as to the fundamental tenets of trademark protection. The Lanham Act has stood as a bulwark of consumer protection and commercial stability for over 35 years. A "narrow reading" of the Act is neither necessary nor desirable in this case or in any other. Amici urge this Court to reverse and remand for entry of an injunction.

Respectfully submitted,

B. B. Paxon, President
American Intellectual Property
Law Association
Suite 203
2001 Jefferson Davis Highway
Arlington, VA 22202
(703) 521-1890

Donald C. Pirt, Chair
Patent, Trademark and Copyright
Section
The State Bar of California
155 Franklin Street
San Francisco, CA 94102-4498
(415) 391-6200

Of Counsel:

J. T. McCaffrey
c/o University of San Francisco School of Law
San Francisco, CA 94117
(415) 895-0517

Date: May 17, 1984

The jurisdiction of this Court is invoked pursuant to 28 U.S.C. §1254(1).

STATUTES INVOLVED

The statutes involved in this petition are 15 U.S.C. §§1065 and 1115, which provide in full as follows:

§1065. Incontestability of right to use mark under certain conditions

Except on a ground for which application to cancel may be filed at any time under subsections (c) and (e) of section 1064 of this title, and except to the extent, if any, to which the use of a mark registered on the principal register infringes a valid right acquired under the law of any State or Territory by use of a mark or trade name continuing from a date prior to the date of registration under this chapter of such registered mark, the right of the registrant to use such registered mark in commerce for the goods or services on or in connection with which such registered mark has been in continuous use for five consecutive years subsequent to the date of such registration and is still in use in commerce, shall be incontestable: *Provided, That—*

(1) there has been no final decision adverse to registrant's claim of ownership of such mark for such goods or services, or to registrant's right to register the same or to keep the same on the register; and

(2) there is no proceeding involving said rights pending in the Patent and Trademark Office or in a court and not finally disposed of; and

(3) an affidavit is filed with the Commissioner within one year after the expiration of any such five-year period setting forth those goods or services stated in the registration on or in connection with which such mark has been in continuous use for such five consecutive years and is still in

use in or... service, and the other matters specified in subsection (1) and (2) of this section; and

(4) no incontestable right shall be acquired in a mark which is the common descriptive name of any article or substance, patented or otherwise.

Subject to the conditions above specified in this section, the incontestable right with reference to a mark registered under this chapter shall apply to a mark registered under the Act of March 3, 1881, or the Act of February 20, 1905, upon the filing of the required affidavit with the Commissioner within one year after the expiration of any period of five consecutive years after the date of publication of a mark under the provisions of subsection (c) of section 1062 of this title.

The Commissioner shall notify any registrant who files the above-prescribed affidavit of the filing thereof.

(As amended Jan. 2, 1975, Pub.L. 93-596, §1, 88 Stat. 1949; Aug. 27, 1982, Pub.L. 97-247, §10, 96 Stat. 320.)

§1115. Registration on principal register as evidence of exclusive right to use mark; defenses

(a) Any registration issued under the Act of March 3, 1881 or the Act of February 20, 1905, or of a mark registered on the principal register provided by this chapter and owned by a party to an action shall be admissible in evidence and shall be prima facie evidence of registrant's exclusive right to use the registered mark in commerce on the goods or services specified in the registration subject to any conditions or limitations stated herein, but shall not preclude an opposing party from proving any legal or equitable defense or defect which might have been asserted if such mark had not been registered.

(b) If the right to use the registered mark has become incontestable under section 1065 of this title, the registration

shall be conclusive evidence of the registrant's exclusive right to use the registered mark in commerce on or in connection with the goods or services specified in the affidavit filed under the provisions of said section 1065 subject to any conditions or limitations stated therein except when one of the following defenses or defects is established:

(1) That the registration or the incontestable right to use the mark was obtained fraudulently; or

(2) That the mark has been abandoned by the registrant; or

(3) That the registered mark is being used, by or with the permission of the registrant or a person in privity with the registrant, so as to misrepresent the source of the goods or services in connection with which the mark is used; or

(4) That the use of the name, term, or device charged to be an infringement is a use, otherwise than as a trade or service mark, of the party's individual name in his own business, or of the individual name of anyone in privity with such party, or of a term or device which is descriptive of and used fairly and in good faith only to describe to users the goods or services of such party, or their geographic origin; or

(5) That the mark whose use by a party is charged as an infringement was adopted without knowledge of the registrant's prior use and has been continuously used by such party or those in privity with him from a date prior to registration of the mark under this chapter or publication of the registered mark under subsection (c) of section 1062 of this title: *Provided, however, That this defense or defect shall apply only for the area in which such continuous prior use is proved; or*

(6) That the mark whose use is charged as an infringement was registered and used prior to the registration under this chapter or publication under subsection (c) of

section 1062 of this title of the registered mark of the registrant, and not abandoned: *Provided, however, That this defense or defect shall apply only for the area in which the mark was used prior to such registration or such publication of the registrant's mark; or*

(7) That the mark has been or is being used to violate the antitrust laws of the United States.

(July 5, 1946, c. 540, Title VI, §33, 60 Stat. 438; Oct. 9, 1962, Pub. L. 87-772, §18, 76 Stat. 774.)

STATEMENT OF THE CASE

Introduction

This case presents the question of whether the incontestability provisions of the Lanham Act may be used offensively to enjoin trademark infringement. The Ninth Circuit has ruled that, even though a registrant's trademark had properly achieved the status of incontestability under 15 U.S.C. §1065, the registrant was not entitled to injunctive relief under 15 U.S.C. §1114 based on the conclusive presumption provided by 15 U.S.C. §1115(b) that the mark is not merely descriptive. The Ninth Circuit, in conflict with the Second, Fifth, Seventh and Tenth Circuits as well as other courts, held that the incontestability provisions of the Lanham Act could be used only defensively to protect against cancellation of a mark, and to protect a registrant's continued use of a mark, but not offensively to prevent the use of a registrant's mark by another. Consequently, the Court held that even though Park 'N Fly's mark was valid, the use of the mark by Dollar Park and Fly was not improper and should not have been enjoined. (J.A. at 85-86).

Background

Park 'N Fly, Inc. is a Missouri corporation which has its principal place of business in St. Louis, Missouri. (J.A. at 28). It

was founded in September of 1967 in St. Louis by Martin Bloom and Theodore Desloge, its current owners. Park 'N Fly's business is the development and management of off-site airport parking facilities where travelers park and are then driven to the nearby airport on a shuttle service. (J.A. at 28).

After weighing various alternatives for names of their enterprise, Messrs. Bloom and Desloge agreed on the name "Park 'N Fly" for their business just before opening their St. Louis operation. Mr. Bloom originally conceived the name and proposed it to Mr. Desloge, who accepted the name. (J.A. 45-46, Tr. at 5-6).

Shortly after opening, Park 'N Fly sought the advice of trademark counsel in St. Louis to pursue trademark registration of its name. After a search by trademark counsel to determine that there were no other users of the name at the time, Park 'N Fly registered its name in Missouri. (J.A. at 46-47, Tr. at 7-8).

Park 'N Fly's business quickly prospered and expanded. In July of 1969 Park 'N Fly opened a facility in Cleveland, Ohio. Shortly thereafter, Park 'N Fly instituted federal trademark registration. (J.A. at 47-48, Tr. at 8-9). In August of 1969 Park 'N Fly sought to register its mark "Park 'N Fly" along with the logo of an airplane with the United States Patent and Trademark Office (PTO). The registration was denied at first by the PTO because the trademark examiner initially considered the mark to be merely descriptive.¹ (J.A. at 51). Park 'N Fly appealed the denial of registration and contended that the mark had no exact meaning, that it did not immediately convey the exact character or function of the services in question, and that it was a truly novel, arbitrary expression and, hence, was not

¹ Federal registration of trademarks is not available to merely descriptive marks absent a showing that the mark has acquired a secondary meaning. The Lanham Act, at 15 U.S.C. §1052(a) and (f), forbids, *inter alia*, registration of a merely descriptive mark unless the mark has become "distinctive of the applicant's goods in commerce".

merely descriptive. (J.A. at 54-56) Park 'N Fly prevailed at the PTO, and the registration was published for opposition. No opposition was received, and Registration No. 919,519 for the trademark was issued by the PTO on August 31, 1971. (J.A. at 28, 57-59).

Park 'N Fly subsequently successfully registered its mark "Park 'N Fly" without the airplane logo that is present in the original registration. The second application was filed in the PTO on December 23, 1977 and Registration No. 1,111,954 was issued without opposition on January 23, 1979. (J.A. at 28, 60-61).

After opening its second facility in Cleveland, Ohio, and prior to the suit in the instant case, Park 'N Fly opened facilities in Houston, Texas; Memphis, Tennessee; Boston, Massachusetts; San Francisco, California; and Montreal, Canada. Each facility, with the exception of Montreal, is named "Park 'N Fly". Also, each facility rents off-site parking space to travelers and furnishes shuttle service from its parking lots to the nearby airports. Park 'N Fly, Inc. does not have a facility in Oregon or Washington. (J.A. at 29).

In March of 1977 Park 'N Fly executed an affidavit pursuant to 15 U.S.C. §1065 to establish the incontestability of the Park 'N Fly mark which had earlier been issued Registration No. 919,591. The affidavit was received by the PTO on April 4, 1977 and filed on May 25, 1977. (J.A. at 29, 63). In Park 'N Fly's affidavit Mr. Theodore Desloge, its President, testified in accordance with §1065 *inter alia* that the mark had been used continuously for five years in Park 'N Fly's business, that there was no final decision adverse to Park 'N Fly's claim of ownership to the mark, and that there were no proceedings pending in the PTO or the Courts with regard to Park 'N Fly's rights to the mark. (J.A. at 63). The mark then achieved incontestable status, which established Park 'N Fly's right to the exclusive use of the mark "subject only to the cancellation provisions of 15

U.S.C. (1984 and the definition enumerated in 15 U.S.C. §1115(2))." *Park 'N Fly, Inc. v. Dollar Park and Fly, Inc.*, 718 F.2d 527, 530 (9th Cir. 1983) (J.A. at 82).

Since 1970, Park 'N Fly has become aware of other parties that have used a designation for a business similar to its own using the words "park" and "fly" in close association (J.A. at 28, 30). As stipulated in the Preliminary Order in the instant case, the following is a list of the entities and the approximate year that Park 'N Fly learned of each use:

1. 1970, Park and Fly, Thrifty Rent-A-Car, Indianapolis, Indiana.
2. 1972, Dollar Park and Fly, Dollar-A-Day Rent-A-Car, Los Angeles, California.
3. 1974, Park 'N Fly, Karry Pacific Ford, Philadelphia, Pennsylvania.
4. 1975, Park and Fly, Always Rent-A-Car, Los Angeles, California.
5. 1977, Park and Fly, Chet Rostagno, Budget Rent-A-Car, Newark, New Jersey.
6. 1977, Park 'n Fly, Allegheny Motor Inn, Pittsburgh, Pennsylvania.
7. 1977, Park and Fly, Inc., Joseph Costanza, Atlanta, Georgia.
8. 1977, Park, Lock & Fly, American International Rent-A-Car, Denver, Colorado.
9. 1977, Park 'N Fly, Aviation Transportation Service, Brooklyn, New York.
10. 1978, Park 'N Fly, George Mason, Portland, Oregon.
11. 1978, Park & Fly, M. LaBell, Boston, Massachusetts.

In every case of the use of "park" and "fly" similar to Park 'N Fly's use that came to its attention, Park 'N Fly demanded that the party cease using the designation, and resorted to litigation when necessary. In the case noted above at No. 11 that arose in Boston, Massachusetts, Park 'N Fly pursued litigation and was granted an injunction against the infringing use of its mark based on the incontestable status of the mark. See *Park 'N Fly, Inc. v. Park & Fly, Inc.*, 489 F.Supp. 422 (D. Mass. 1979) (J.A. at 30).

Dollar Park and Fly, Inc. is an Oregon Corporation which has its principal place of business in Portland, Oregon. (J.A. at 28). It is owned by James and Doris Cassan, and is licensed to do business in Oregon as Dollar Park and Fly, d/b/a Park and Fly. It has used the words "park" and "fly" in its Portland operation since 1973. In a separate instance, Mr. Cassan used the terms "park" and "fly" on a sign in connection with Dollar Rent A Car in Seattle, Washington, d/b/a Dollar Park and Fly, a separate company the Cassans also own. Respondent Dollar Park and Fly's business as an off-site airport parking and shuttle service is similar to Petitioner Park 'N Fly's business (J.A. at 30-31).

Both Dollar Park and Fly and Park 'N Fly use the words "airport parking" in addition to "park" and "fly" in order to describe the services they provide. (J.A. at 73) Also, Park 'N Fly is identified in newspaper and magazine articles with a description of its services in addition to its mark. (J.A. at 50-51; Tr. at 34).

The District Court Case

In early 1977, Park 'N Fly, Inc. became aware of Dollar Park and Fly's use of the words "park" and "fly" in Dollar Park and Fly's off-site airport parking business. On February 18, 1977 Park 'N Fly wrote Dollar Park and Fly and demanded that Dollar Park and Fly cease its use of Park 'N Fly's mark. (J.A. at 14).

On June 7, 1978, after Dollar Park and Fly refused to cease using the designation, Park 'N Fly filed the instant action in the United States District Court for the District of Oregon. (J.A. at 7-13).

As narrowed and framed by the Pretrial Order, plaintiff Park 'N Fly, Inc. charged defendant Dollar Park and Fly, Inc. with infringement of its registered service mark "Park 'N Fly"³, and sought injunctive relief pursuant to 15 U.S.C. §§1114(1) and 1117. Dollar Park and Fly, Inc. counterclaimed, seeking a declaration of invalidity and cancellation of both the "Park 'N Fly" mark noted above as well as a subsequent mark registered by plaintiff.⁴ (J.A. at 16-22).

Jurisdiction was vested in district court pursuant to 15 U.S.C. §1121 and 28 U.S.C. §1338.⁵

During the pre-trial, trial and post-trial proceedings Park 'N Fly argued, *inter alia*, that Dollar Park and Fly had infringed its incontestable mark and that the infringement should therefore be enjoined. Park 'N Fly contended further that Dollar Park and Fly's argument that the mark was merely descriptive should not be heard because such a defense was not available to an accused infringer of a mark after the mark had properly achieved incontestable status under §1065. (J.A. at 31). In addition, Park 'N Fly argued that the mark was not merely descriptive in any event.

³ Federal Registration No. 919,591. The mark also contains the logo of an airplane.

⁴ That mark, Federal Registration No. 1,111,956, consists of the "Park 'N Fly" designation without an airplane logo.

⁵ Although Park 'N Fly had initially sought money damages in its complaint, it waived that portion of its claim prior to trial. Under 15 U.S.C. §1121, jurisdiction over this action was vested in district court without regard to the amount in controversy.

Park 'N Fly based its argument principally on 15 U.S.C. §1115(b), which limits the defenses which may be made in an action brought to protect an incontestable mark and excludes mere descriptiveness from the list.⁶

Dollar Park and Fly stressed that the mark was merely descriptive (and, of course, that it had the right to make such an argument), that the mark was generic, and that there had been no instances of actual confusion of the names, due largely to the fact that Park 'N Fly did not have a facility in Portland, Oregon. (J.A. at 32-33).

After a trial to the Court on the merits, United States District Judge Helen J. Frye found in favor of Park 'N Fly and enjoined Dollar Park and Fly's use of the same or similar marks. (J.A. at 71-78). The Court determined that a mark that had achieved incontestable status could not be challenged on the ground that it was merely descriptive because that ground was not included in 15 U.S.C. §1115, citing *Abercrombie & Fitch Co. v. Hunting World, Inc.*, 537 F.2d 4, 11 (2d Cir. 1976); *Union Carbide Corp. v. Ever-Ready, Inc.*, 531 F.2d 366, 377 (7th Cir. 1976); *Park 'N Fly, Inc. v. Park & Fly, Inc.*, 489 F.Supp. 422 (D. Mass. 1979).

The Court concluded that an incontestable mark could, however, be challenged under §1115(b) on the ground that it had become generic, but specifically found that the mark was not generic. (J.A. at 74-75).

The Court also rejected defendant's argument that plaintiff's mark under Registration No. 1,111,956 was susceptible to challenge because it had not yet achieved incontestable status. As noted above at p. 10, footnote 3, that mark differs from the incontestable mark No. 919,591 because it consists of the words

⁶ The seven defenses provided in §1115(b) are set forth at pp. 4-5 of this brief.

Park 'N Fly without the airplane logo. The Court concluded that Dollar Park and Fly's challenge to the mark under Registration No. 1,111,956 could not succeed because a party does not have to copy a mark exactly in order to infringe, and because infringement is possible when only the salient or dominant part of a mark is copied, citing *WSM, Inc. v. Bailey*, 297 F.Supp. 870, 872 (M.D. Tenn. 1969). (J.A. at 75).

The Court further rejected the defendant's argument that there was no likelihood of confusion between the two marks because the companies operated in different geographical locations. The Court concluded that the owner of a federal registration was entitled to the security of knowing that the trademark could not be adopted even in a different area of the country, particularly in the airport shuttle business where the customers were travelers from all parts of the country. (J.A. at 76).

Consequently, the District Court upheld the validity of the trademarks of Park 'N Fly, Inc. and issued an injunction barring Dollar Park and Fly's infringement of the designation "Park and Fly."

The Ninth Circuit Appeal

Dollar Park and Fly appealed the decision and injunction of the District Court on grounds substantially similar to those it raised in the District Court. Dollar Park and Fly also argued specifically that the status of incontestability could not be used offensively to enjoin an alleged infringer and, further, that incontestability could not be used to shield a defective mark, citing primarily *Tillamook County Creamery Ass'n v. Tillamook Cheese and Dairy Ass'n*, 345 F.2d 158, 163 (9th Cir.) cert. denied, 382 U.S. 903 (1965); and *Wrist-Rocket Mfg. Co., Inc. v. Saunders Archery Co.*, 516 F.2d 846, 851 (8th Cir.) cert. denied 423 U.S. 870 (1975) (other citations omitted).

On appeal Park 'N Fly, Inc. argued, *inter alia*, that it was entitled to injunctive relief under federal trademark law, conten-

ding that any "defensive/offensive" distinction with regard to the status of incontestability was incorrect, citing primarily *Union Carbide Corp. v. Ever-Ready, Inc.*, supra, 531 F.2d 366; *Abercrombie & Fitch Co. v. Hunting World, Inc.*, supra, 537 F.2d 4; and *John R. Thompson Co. v. Holloway*, 366 F.2d 108 (5th Cir. 1966), among other sources.

The Ninth Circuit affirmed in part and reversed in part the District Court decision. (J.A. at 80-86). The Court of Appeals upheld the validity of Park 'N Fly's two marks, concluding that, without sufficient evidence with respect to consumer perceptions, Park 'N Fly's marks could not be considered generic. (J.A. at 83-84).

The Ninth Circuit reversed the injunction against infringement, however, and rejected Park 'N Fly's argument that the incontestability of its mark entitled it to such relief. (J.A. at 85-86). The Court concluded that the defensive/offensive distinction noted above prohibited an injunction based on the incontestable status of a mark because that status could only be used defensively to protect a mark against cancellation. The Court went on to find that a party could defend against the effect of federal registration on grounds not included in §1115(b) and found further that Park 'N Fly's mark was merely descriptive and therefore, although not susceptible to cancellation on that ground, was not sufficient to support injunctive relief. (J.A. at 85-86).

In reaching its result with regard to the defensive/offensive distinction in the instant case, the Ninth Circuit acknowledged that its reading of the Lanham Act in this regard conflicted with the law in the Seventh Circuit as articulated in *Union Carbide Corp. v. Ever-Ready, Inc.*, 531 F.2d 366 (7th Cir.), cert. denied, 429 U.S. 830 (1976).^{*}

^{*} Since its ruling in the instant case, the Ninth Circuit has reaffirmed its position regarding the defensive/offensive distinction in *Lindy Pen Co., Inc. v. Bic Pen Corp.*, 725 F.2d 1240, 1247 (9th Cir. 1984); *Petition for Certiorari* filed April 5, 1984.

SUMMARY OF PETITIONER'S ARGUMENT

The result reached below by the Court of Appeals for the Ninth Circuit, to the extent that it bars the use of injunctive relief to enjoin the infringement of a trademark that has achieved incontestable status under the Lanham Act, is in error. The Ninth Circuit's interpretation of the incontestability provisions of the Lanham Act in its persistent use of the defense of "offensive distinction" to limit the rights of registrants to enjoin infringement of incontestable marks should be corrected.

The Lanham Act does not support a defensive/offensive distinction. Rather, it provides a clear statutory scheme which protects both a registrant's right to the exclusive use of its incontestable mark and the right of the public not to be confused in selecting competing products and services. The Lanham Act does so by providing that, once a mark has properly achieved incontestable status, it is conclusively presumed to be valid subject only to seven enumerated defenses. By allowing extra-statutory defenses to limit a registrant's right to enforce its mark, the Ninth Circuit frustrates the intent of Congress as expressed in the clear language of the Lanham Act. Moreover, it thwarts a basic purpose of the act—the establishment of exclusive rights in particular marks—by reaching an illogical result which requires holders of valid incontestable marks to share those marks with other users of the same or essentially similar marks.

The approach taken by the Seventh Circuit in the landmark case of *Union Carbide Corp. v. Ever-Ready, Inc.*, 531 F.2d 346 (7th Cir. 1976) and its progeny shows a correct reading of the Lanham Act with regard to incontestability. In *Union Carbide* the Court properly demonstrated the error in the interpretation of the Lanham Act by the Ninth Circuit and an earlier Seventh Circuit decision on which the Ninth Circuit rested its reasoning (which the Seventh Circuit reversed in *Union Carbide*), and gave the proper effect to the Lanham Act in accordance with its terms on incontestability. This Court should adopt such an approach.

Consequently, the Ninth Circuit's reversal of the grant of an injunction should be reversed and the Court of Appeals should be directed to affirm the District Court's decision in its entirety, including the issuance of the injunction as to both marks at issue. There is no evidence that respondent was in privity with a prior user of the mark which would defeat Park 'N Fly's right to an injunction against Dollar Park and Fly's use of the mark. See 15 U.S.C. §1115(b)(5). In addition, both of petitioner's marks are sufficiently similar to require the protection afforded by the District Court even though only one of the two marks has achieved incontestable status. Finally, the mark is neither merely descriptive nor generic.

PETITIONER'S BRIEF

MAY 19 1964

ALEXANDER L. SITKOFF

6
No. 83-1132

In The
Supreme Court of the United States

OCTOBER TERM, 1963

Park 'N Fly, Inc.,
Petitioner,

vs.

Dallas Park And Fly, Inc.,
Respondent.

On Writ of Certiorari to the United States
Court of Appeals for the Ninth Circuit

BRIEF OF PETITIONER

ALAN E. PUPEN
Counsel of Record

THOMAS F. NEULAND
MITCHELL H. HARRIS
PUPEN, STERN, HARRIS,
LEWIS, SIMON, ROSE &
CARRVITZ
7733 Forsyth Boulevard
22nd Floor
St. Louis, Missouri 63105
(314) 862-0900

Counsel for Petitioner
Park 'N Fly, Inc.

QUESTION PRESENTED

Did the Ninth Circuit err when it held that, in spite of the Lanham Act provision that the incontestable status of a mark "shall be conclusive evidence of the registrant's exclusive right to use the registered mark", the extra-statutory defense that the trademark was "merely descriptive" could be asserted?

PARTIES

All of the parties to this proceeding are named in the caption. Park 'N Fly's parent company, subsidiaries (except wholly owned subsidiaries) and affiliates are named in Park 'N Fly's Petition for Certiorari, pp. i-ii, filed January 10, 1984.

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No. 83-1132

In The

Supreme Court of the United States

OCTOBER TERM, 1983

Park 'N Fly, Inc.,

Petitioner,

vs.

Dallas Park And Fly, Inc.,

Respondent.

On Writ of Certiorari to the United States
Court of Appeals for the Ninth Circuit

BRIEF OF PETITIONER

OPINIONS AND JUDGMENTS BELOW

The Opinion of the United States Court of Appeals for the Ninth Circuit is reported at 718 F.2d 327 (9th Cir. 1983) and is reprinted in the Joint Appendix (J.A.) at pp. 85-86.

The unpublished Findings of Fact and Conclusions of Law as well as the Judgment, Injunction and Costs of the United States District Court for the District of Oregon are reprinted at J.A. 71-78.

JURISDICTION

The judgment of the Ninth Circuit was entered in this action on October 13, 1983. Neither party requested rehearing. Park 'N Fly, Inc. filed its Petition for Certiorari on January 10, 1984. This Court granted the writ on March 5, 1984.

ARGUMENT

1. The Ninth Circuit's Interpretation Of The Incontestability Provisions Of The Lanham Act Demonstrates A Faulty Application Of Federal Trademark Law And Should Be Corrected

The Lanham Act provides in relevant part that when a mark attains incontestable status that constitutes "conclusive evidence of the registrant's exclusive right to use the registered mark . . ." 15 U.S.C. 1115(b). The plain language of this statute unambiguously declares the meaning and intent of incontestability. The first phrase of the quote, "*conclusive evidence*", could hardly be clearer. Conclusive evidence means that incontestability concludes the issue. If a mark has achieved incontestable status, therefore, that status is "conclusive evidence" which, by definition, may not be rebutted or challenged, except as expressly set forth in the statute.

Nor does Congress limit the type of proceeding in which the incontestable status becomes "conclusive evidence." The Lanham Act does not, by way of example, state that incontestability is conclusive evidence only in a cancellation proceeding or only in an interference proceeding. Rather, Congress declared *without limitation* that the incontestable status is conclusive evidence in all proceedings.

The second portion of the above quoted language establishes that Congress declared that incontestability was conclusive evidence of "*the registrant's exclusive right to use the registered mark.*" This portion of the statute could hardly be clearer. It grants to the trademark owner the right to use his mark to the exclusion of anyone else. In fact, the ability to use a mark to the exclusion of the rest of the world is the Congressional recognition of the economic reality of the value of a trademark. No matter how well recognized a mark becomes, no matter how many thousands of media dollars are spent to promote its recognition, its value will be worthless if anybody who chooses to use such a mark may do so with impunity.

By the passage of the incontestability provisions, Congress provided the owner of a registered mark with the certainty that, if his mark achieved incontestable status, no forger or copier could come along and cash in on his investment. The value that any trademark has is its ability to identify the products of its owner from the products of others. If the owner of a mark may not exclude others from its use then it is valueless. If the Congressional mandate that the owner of a mark which has attained incontestable status has the "exclusive right to use the registered mark" means what the Ninth Circuit asserts, then it is a hollow and meaningless right.

The Lanham Act provisions at the heart of this appeal set out the status and effect of incontestability. Under 15 U.S.C. §1065 a federally registered trademark may become incontestable if certain conditions are met. The mark must not be the subject of a final, adverse decision as to its ownership or registration, nor may such a proceeding be pending. §1065(1) and (2). To achieve incontestability the registrant must file an affidavit testifying that the conditions in subsections (1) and (2) have been met, and that the mark has been used continuously in commerce for five years. §1065(3). Finally, no mark may become incontestable if it is the "common descriptive name of any article or substance." §1065(4).¹

As noted in Petitioner's Statement of the Case at pp. 7-8, Park 'N Fly, Inc. complied with the prerequisites for incontestability and such status was granted. Consequently, it became entitled to the Lanham Act protection provided in §1115(b), which states in pertinent part that "the registration shall be *conclusive evidence* of the registrant's *exclusive right* to use the registered mark in commerce" (emphasis supplied), sub-

¹ Section 1065 also excepts from the status of incontestability marks which have been abandoned or have been procured by fraud and are therefore subject to cancellation under §1064(c) and (e).

ject to the seven defenses set out in §1115(b) which are set out above at pp.4-5. And, as the Ninth Circuit noted in its opinion below, "[i]f an incontestable mark becomes generic, it may be cancelled pursuant to 15 U.S.C. §1064(c), but an incontestable mark cannot be challenged for being 'merely descriptive.' See *Abercrombie & Fitch Co.*, *supra*, 537 F.2d at 12-13; *Park 'N Fly, Inc. v. Park & Fly, Inc.*, 489 F. Supp. 422, 424 (D. Mass. 1979)." *Park 'N Fly, Inc. v. Dollar Park and Fly*, *supra*, 718 F.2d at 330 (emphasis supplied).

The Ninth Circuit ruled in the instant case, however, that Section 1115(b) of the Lanham Act does not provide an offensive basis for a registrant with an incontestable mark to enjoin the use of an infringing mark. That Court of Appeals ruled further that a party could defend against the effect of federal registration as if the mark in question were not incontestable and, thus, allowed Dollar Park and Fly to argue the mark at issue was merely descriptive. The Court then found the mark to be merely descriptive and defeated Park 'N Fly's effort to protect its mark.

The Ninth Circuit's interpretation of incontestability ignores the plain terms of the Lanham Act as well as its intent as expressed in its legislative history. The "exclusive" right to use a trademark, by definition, must carry with it the right to exclude others from its use.

In enacting §1115(b) of the Lanham Act, Congress provided a registrant with the "exclusive" right "to use" its registered mark once that mark properly became incontestable within the meaning of §1065. Congress then limited the defenses that may be made against an incontestable mark to the seven defenses set out in §1115(b). Nothing in the statute states or even implies, as the Ninth Circuit maintains, that a registrant has an exclusive right *only to defend* its mark against cancellation through the use of its incontestability status.

Moreover, the pertinent sections of the Lanham Act make clear that incontestability status was intended for offensive use and not meant to be merely a shield rather than a sword. In the seven defenses listed in §1115(b) for example, those specific defenses that deal with the conduct regarding the use of the mark being challenged refer to "the use of the name, term or device charged to be an infringement . . .," §1115(b)(4) (emphasis supplied; as well as "the mark whose use by a party is charged as an infringement . . .," §1115(b)(5) and (6) (emphasis supplied). This language clearly demonstrates that Congress anticipated offensive use of the incontestable status of a mark. The language is susceptible of no other reasonable meaning, especially when read together with §§1065 and 1115(a), as well as §1114 (providing, *inter alia*, for injunctive relief to enjoin infringements). See, 2A Sands, *Statutes and Statutory Construction*, §§46.04-46.05 (4th Ed. 1973) (A revision of the Third Edition of Sutherland Statutory Construction).

Consequently, the plain language of the Lanham Act's incontestability provision contemplates offensive use to obtain injunctive relief and limits the available defenses to the seven enumerated in §1115(b).

This is especially so when viewed in the perspective provided by the legislative history of the Lanham Act. In enacting the Lanham Act, Congress intended "to unify trademark law on a national basis." *Union Carbide v. Ever-Ready, Inc.*, *supra*, 531 F.2d at 376. Moreover, its purpose included the provision of substantive as well as procedural protection. The Senate Committee Report on the Act describes the purpose this way:

There can be no doubt under the recent decisions of the Supreme Court of the constitutionality of a national act giving substantive as distinguished from merely procedural rights in trade-marks in commerce over which Congress has plenary power. . . a sound public policy requires that trade-marks should receive nationally the greatest protec-

tion that can be given. S. Rep. No. 1333, 79th Cong., 2d Sess., reprinted in 1946, U.S. Code Cong. Serv. 1274, 1277.

Union Carbide v. Ever-Ready, supra, 531 F.2d at 376. Also, the inclusion of the incontestability provisions defined important federal property rights for registrants whose marks qualified under §1065. See 4 Callman, *Unfair Competition, Trademarks & Monopolies* §93.3(c)(1) (3d ed. 1970) at 598-605; *Union Carbide Corp. v. Ever-Ready, Inc.*, supra, 531 F.2d at 376.⁹

The interest in creating a strong national law of trademarks which culminated in the Lanham Act is further demonstrated by the Senate Committee on Patents when it stated, with regard to the problem of varied State trademark laws, as follows:

...trade is no longer local, but is national. Marks used in interstate commerce are properly the subject of Federal regulation. It would seem as if national legislation along national lines securing to the owners of trade-marks in interstate commerce definite rights should be enacted and should be enacted now.

S. Rep. No. 1333, 79th Cong., 2d Sess., reprinted in 1946 U.S. Code Cong. Serv. 1274, 1277.

A trademark is, of course, a symbol of the goodwill of the owner's business. T. McCarthy, *Trademarks and Unfair Competition* §2:7 (1973). H.R. Rep. No. 944, 76th Cong., 1st Sess., p. 2 states that "goodwill is often the most valuable asset that a

⁹ In one of the earliest decisions on the Lanham Act, Judge Learned Hand explained the incontestability provisions of the Act as providing conclusive evidence of a registrant's exclusive right to use a mark and even noted that the conclusion as to incontestability is confirmed, "if confirmation is necessary," by the language of the Senate Report quoted above and in *Union Carbide*. *S.C. Johnson & Son v. Johnson*, 175 F.2d 176, 178 (2d Cir. 1949) (emphasis supplied).

trading establishment can have, and the trade-marks are essentially symbols of business goodwill." In addition to registration, the owner of a trademark protects this goodwill through infringement litigation. As this Court stated in *Hanover Star Milling Co. v. Metcalf*, 240 U.S. 403, 412 (1916):

The redress that is accorded in trademark cases is based upon the party's right to be protected in the goodwill of a trade or business. . . . Courts afford redress or relief upon the ground that a party has a valuable interest in the goodwill of his trade or business, and in the trademarks adopted to maintain and extend it.

Moreover, S. Rep. No. 1333, 79th Cong., 2d Sess., reprinted in 1946 U.S. Code Cong. Serv. 1274, 1274-1275, states:

[W]here the owner of a trade-mark has spent energy, time, and money in presenting to the public the product, he is protected in his investment from its misappropriation by pirates and cheats. . . .

This bill, as any other proper legislation on trade-marks, has as its object the protection of trade-marks, securing to the owner the good will of his business and protecting the public against spurious and falsely marked goods. The matter has been approached with the view of protecting trade-marks and making infringement and piracy unprofitable. . . .

To protect trade-marks, therefore, is to protect the public from deceit, to foster fair competition, and to secure to the business community the advantages of reputation and good will by preventing their diversion from those who have created them to those who have not. This is the end to which this bill is directed.¹⁰

¹⁰ Another purpose of the Lanham Act was to allow consumers to have the ability to distinguish among the goods of competing manufacturers. *Inwood Laboratories v. Ives Laboratories, Inc.* 456

The interest in protecting goodwill was explicitly shown by the testimony of Daphne Robert, one of the authors of the Lanham Act, when she stated in reference to incontestability:

What we are attempting to do in this bill and what I believe we have done is simply to provide a means for the quieting of title to the property in trade-marks. If it is fraudulently used it may be canceled. But we believe that at the same time the owner of a trade-mark who has built up his goodwill around that mark, and his product and goodwill are symbolized by that mark, should have his title to his property quieted. And that is what we have done here.

But we have provided that there are certain defenses in Section 33. . . .

Trademarks: Hearings on H.R. 82 Before a Subcomm. of the Senate Comm. on Patents, 78th Cong., 2d Sess. 112 (1944) (statement of Daphne Robert, member of the Trademark Committee, American Bar Association).

More recently, this Court stated that one of the goals of the Lanham Act was to allow a trademark owner to protect the goodwill associated with a trademark from those infringers applying a trademark to goods produced by one other than the trademark's owner. *Inwood Laboratories, Inc. v. Ives Laboratories, Inc.*, 456 U.S. 844, 854, n.14 (1982).

As noted above, one of the primary features of the Lanham Act with regard to the protection of a registrant's rights was its provisions for incontestability status. The provisions regarding

U.S. 844, at 854, n.14. (1982) S.Rep. No. 1333, 79th Cong. 2d Sess., reprinted in 1946 U.S. Code Cong. Serv. 1274, 1275, states that "[t]rade-marks, indeed, are the essence of competition, because they make possible a choice between competing articles by enabling the buyer to distinguish one from the other. Trade-marks encourage the maintenance of quality by securing to the producer the benefit of the good reputation which excellence creates."

incontestability were, in fact, viewed as means to quiet title in the ownership of trademarks, and permanently secure the rights of the registrant to protect its mark, subject of course to limited defenses expressed in §1115(b), such as abandonment or fraud.

Park 'N Fly provides a fitting example of the effect of the statutory scheme of the Lanham Act as illuminated by its legislative history. When it successfully registered its mark, it became entitled to certain limited federal trademark protection. Under §1115(a) of the Lanham Act its registration provided notice that its claim to the mark became prima facie evidence of its exclusive right to use the mark in commerce, however, it was subject to "any legal or equitable defense or defect which might have been asserted if such mark had not been registered." Under §1115(b), Park 'N Fly's rights in the mark were significantly strengthened. That section, as noted above, provides that the registration of an incontestable mark—i.e., one that has met the standards of §1065, including continuous, exclusive use for five years—is conclusive evidence of the registrant's exclusive right to use the mark subject only to the seven defenses set out therein.

As noted above at pp. 6-7, Park 'N Fly's mark was initially turned down by the PTO for registration because the trademark examiner considered the mark to be merely descriptive. Thereafter, Park 'N Fly submitted its argument demonstrating that the mark was not merely descriptive, and prevailed.¹⁰ Park 'N Fly then earned incontestable status for the first of its registered marks and became entitled to the rights provided by §1115(b).

¹⁰ This action disposes of any argument that the PTO may have exercised only a ministerial, "rubber stamping" role with regard to registration of the mark, despite the fact that the PTO proceeding was *ex parte*.

Consequently, the mark should be "conclusively presumed to be nondescriptive or to have acquired secondary meaning." *Beer Nuts, Inc. v. Clover Club Foods Co.*, 711 F.2d 934, 940, n.7 (1983); *Soweco, Inc. v. Shell Oil Co.*, 617 F.2d 1178, 1185 (5th Cir. 1980), *cert. denied*, 450 U.S. 981 (1981); *Union Carbide v. Ever-Ready, Inc.*, 531 F.2d 366, 377 (7th Cir.); *cert. denied*, 429 U.S. 830 (1976).

Park 'N Fly then relied on the protection it was provided due to the incontestability of its mark and challenged infringing marks, resorting to litigation in the instant case as well as in the case in Boston noted at p. 9 above. In both cases Park 'N Fly protected its mark and obtained injunctive relief based on its incontestable status and the limitation of defenses provided by §1115(b). (J.A. at 77-78; *Park 'N Fly, Inc. v. Park & Fly, Inc.*, 489 F. Supp. 422 (D. Mass. 1979).

In reversing the injunction in the instant case, however, the Ninth Circuit has frustrated the terms and the policy of the Lanham Act in two ways. First, its defensive/offensive distinction produces a result whereby Park 'N Fly is denied the protection to which it is plainly entitled and both users of the mark are required to share that mark. This promotes neither goal of the Lanham Act because it contradicts a registrant's right to exclusive use of the mark and because it obviously leads to confusion of the public. Second, it makes for inconsistent national application of the Lanham Act which dilutes the rights of registrants, especially expanding companies like Park 'N Fly, which operate in several of the judicial circuits.

The Ninth Circuit's misreading of the Lanham Act should be corrected by this Court.

2. The Application Of The Incontestability Provisions Of The Lanham Act By The Seventh Circuit In *Union Carbide* Should Be Adopted By This Court.

The interpretation of the Lanham Act upon which the Ninth Circuit relies comes not from the language of the Act itself, but

rather from a line of cases originating with a judicial misreading and misapplication of the Act's incontestability provisions.

As set forth in Park 'N Fly's Petition for Certiorari in the instant case, the Ninth Circuit's holding below is based principally on *Tillamook County Creamery Ass'n v. Tillamook Cheese and Dairy Ass'n*, *supra*, 345 F.2d 158 (9th Cir. 1965), which is itself based on a Seventh Circuit decision which has since been overruled. In *Tillamook* two dairy companies which had formerly been affiliated competed with each other for the use of the name "Tillamook" on cheese and milk products. The Ninth Circuit ruled that the plaintiff had not established prior, exclusive use and that the defendant had not abandoned its right to use the name, and affirmed the denial of injunctive relief below.

The *Tillamook* court then went on gratuitously to discuss the incontestability provisions of the Lanham Act, commenting in dicta that the appellant had "properly refrain[ed] from arguing that this incontestability provision aids it in its action." 345 F.2d at 163. The Court then described the "defensive/offensive distinction" and stated that the incontestability provision was designed defensively to protect a registrant from having its mark cancelled but could not be used by a registrant to obtain relief from an infringing use of its mark. *Id.* at 163. The *Tillamook* Court also stated hypothetically that an offensive action under the incontestability provisions of the Lanham Act would have failed on the merits in any event because of subsection (4) of 15 U.S.C. §1115(b) which limits the assertion of incontestability when the mark has been used other than as a trade or service mark. In *Tillamook* the mark was the geographic name of the home of the competing companies and hence was within the subsection (4) exception of §1115(b). 345 F.2d at 163-164."

" In the instant case the Ninth Circuit acknowledged that *Tillamook* was not "express" on the point. (J.A. at 85).

In *Tillamook* the Ninth Circuit based its adoption of the defensive/offensive distinction on *John Morrell & Co. v. Reliable Packing Co.*, 295 F.2d 314 (7th Cir. 1961), overruled, *Union Carbide Corp. v. Ever-Ready, Inc.*, 531 F.2d 366 (7th Cir.), cert. denied, 429 U.S. 830 (1976). In *Morrell* two pork producers competed for the designations "E-Z Cut" and "E-Z Carve Ham" on fully cooked hams each company produced. In reversing the injunction granted by the District Court, the Seventh Circuit originally interpreted §1115(b) not to support the award of an injunction because it considered the rights conferred by incontestability status to be defensive only.¹² The Court therefore held that Section 1115(b) could only be used by a registrant in a cancellation proceeding.

In reaching this result, the Court relied entirely on *Rand McNally & Co. v. Christmas Club*, 105 U.S.P.Q. 499 (June 14, 1955). The Seventh Circuit's reliance on *Rand McNally* was, however, misplaced for two reasons. First, *Rand McNally* dealt with the expansion of a mark beyond the service for which it was originally designated, and did not face the clear dispute over a single name presented by *Morrell* and *Tillamook*. Second, the *Rand McNally* language was dicta in any event.¹³

¹² In this regard *Morrell* has been described as "a hopelessly confused opinion", 1 McCarthy, *Trademarks and Unfair Competition*, Section 11:16, p. 377, fn. 16. Another authority on trademarks describes the section of *Rand McNally* upon which *Morrell* relied this way: "the quoted portion urged in dicta and was, in any event, ripped brutally out of context." Fletcher, *Incontestability and Constructive Notice: A Quarter Century of Adjudication*, 63 Trademark Rep. 71, 95 (1975).

¹³ See Note, *Trade-Marks—Incontestability*, *Union Carbide Corp. v. Ever-Ready, Inc.*, 18 Boston College Ind. & Comm. L. Rev., 396 (1977).

In *Rand McNally*, both the petitioner and the registrant and Christmas Savings Plans called "Christmas Club Systems". The petitioner had stated that it had "no objection whatsoever to respondent's continued use of its trade-mark" for its savings accounts. 105 U.S.P.Q. at 500. The dispute, however, was over the registrant's efforts to expand the designation beyond a savings system to use it in its magazine. It was in this context that the petitioner challenged the expanded use of the mark "Christmas Club". The Assistant Commissioner of Patents ruled in *Rand McNally* that the petitioner, who had never published a periodical comparable to the registrant's, could not block the distinct use of the term by the registrant.

The Assistant Commissioner did not, however, hold that reliance upon the status of incontestability was improper by a registrant in an infringement action. Rather, the Assistant Commissioner described a limitation on the expansion of offensive use, saying that "[a]cquisition of an incontestable right to use the mark on a periodical as a result of the filing of an affidavit in accordance with Section 15 [15 U.S.C. §1065] will not provide respondent with an 'offensive weapon' of any greater magnitude than that which it has had since the registration issued in 1927." 105 U.S.P.Q. at 501 (emphasis supplied). From this genesis the Seventh Circuit developed the defensive/offensive distinction expressed in *Morrell* which was followed in the Ninth Circuit and, to some extent, in the Eighth Circuit.¹⁴

The Seventh Circuit overruled *Morrell* in *Union Carbide Corp. v. Ever-Ready, Inc.*, 531 F.2d 366 (7th Cir.), cert. denied 429 U.S. 830 (1976).

In *Union Carbide*, plaintiff Union Carbide manufactured and sold electric batteries, flashlights and miniature bulbs under the

¹⁴ See the discussion of *Wrist-Rocket I* and *Wrist-Rocket II*, at p.29, below, for a discussion of the Eighth Circuit's position on incontestability.

federally registered trademark "EVEREADY". After the registrant's mark had become incontestable, the defendant Ever-Ready, Inc. began distributing miniature light bulbs under the trademark "Ever-Ready". In dismissing Union Carbide's infringement action, the district court held that Union Carbide's federal registration was not valid because its mark was merely descriptive under 15 U.S.C. §1052(e).

Union Carbide argued on appeal that its federal registration was indeed valid under the conclusive evidence rule of 15 U.S.C. §1115(b). Union Carbide asserted that the validity of its trademark registration was established when it proved the incontestability of its mark, and when defendant failed to establish one of the defenses of 15 U.S.C. §1115(b). The Seventh Circuit agreed and, after it carefully surveyed the law with respect to the incontestability provision of the Lanham Act, 531 F.2d at 371-377, specifically overruled *Morrell*, holding that:

a plaintiff in an infringement action establishes conclusively, under §1115(b), his exclusive right to use a trademark to the extent he shows his trade-mark has become incontestable under §1065. Incontestability does not broaden a trademark in the sense that it allows a registrant to claim rights over a greater range of products than he would otherwise be entitled to claim; but once incontestability is established, registrant's mark is immune from challenge on any grounds not enumerated in §1115(b). There is no defensive/offensive distinction in the statute, and we do not believe one should be judicially engrafted on to it.

531 F.2d at 377 (emphasis supplied).

In interpreting the Lanham Act the Seventh Circuit conceded the confusion generated by *Morrell* as to the effect of incontestability. The Court of Appeals also described the language of *Tillamook*, following *Morrell*, as "perhaps unfor-

tunate" and demonstrated the misplaced reliance on the *Rand McNally* case described above. 531 F.2d at 373-374. In addition, the Seventh Circuit analyzed the defensive/offensive dichotomy of *Morrell* and *Tillamook* in terms of the legislative history and language of the Lanham Act and found no justification for the distinction. 531 F.2d at 376. Finally, the Seventh Circuit noted that even though the *Rand McNally* decision is apparently the source of the defensive/offensive dichotomy, even the patent office appeals board that decided *Rand McNally* seemingly no longer follows the distinction. See *Seiler's, Inc. v. Hickory Valley Farm, Inc.*, 139 U.S.P.Q. 460 (1963) (sustaining an opposition by the registrant on an incontestable mark on the grounds that its incontestable status was conclusive evidence of its exclusive right to use the mark), cited at 531 F.2d at 377.

The Fifth Circuit's approach to incontestability under the Lanham Act follows that which the Seventh Circuit set out in *Union Carbide*. In a dispute over the use of the name "Holloway House", *John R. Thompson Co. v. Holloway*, 366 F.2d 108, 113-116 (5th Cir. 1966), the Court held that a registrant that had achieved incontestable status had the exclusive right to use its mark in commerce, could affirmatively enforce that right, and that a defendant in an enforcement action was limited to the defenses listed in §1115(b). See also *Soweco, Inc. v. Shell Oil Co.*, 617 F.2d 1178, 1184-1185 (5th Cir. 1980), cert. denied 450 U.S. 981 (1981) (holding in a dispute as to the mark "Larvacide" for the name of a fumigant for bugs, slugs, insects and rodents, that once a mark has become incontestable under §1065, it is conclusively presumed not to be merely descriptive, or to have acquired a secondary meaning; and is subject only to the seven defenses set out in §1115(b), citing *Union Carbide*, supra, 531 F.2d at 377).

Several other courts have followed the Union Carbide reasoning on incontestability in contrast to the Ninth Circuit's approach. See, e.g. *Beer Nuts, Inc. v. Clover Club Foods Co.*, 711 F.2d 934, 940 (10th Cir. 1983) *United States Jaycees v.*

Philadelphia Jaycees, 639 F.2d 134 (3rd Cir. 1981) (allowing injunctive relief to protect an incontestable mark and limiting the defenses to the seven defenses listed in §1115(b)); *Park 'N Fly, Inc. v. Park & Fly, Inc.*, 489 F. Supp. 422 (D. Mass. 1979) (granting injunctive relief to petitioner herein based on the incontestability of its mark, limiting defenses to those listed in §1115(b), following the *Union Carbide* decision and rejecting the *Tillamook* and *Morrell* rationale); *Salton, Inc. v. Cornwall Corp.*, 477 F. Supp. 975, 987-988 (D.N.J. 1979) (following *Union Carbide* as to effect of incontestability noting that the basis of the overly restrictive view of incontestability—*Morrell*—has been overruled). Cf. *Abercrombie & Fitch Co. v. Hunting World, Inc.*, 537 F.2d 4, 11-12 (2d Cir. 1976) (holding that a mark that has become incontestable under the Lanham Act is valid even if merely descriptive).

The *Union Carbide* reasoning has even been followed by a district court within the Ninth Circuit. In *Levi Strauss & Co. v. Blue Bell, Inc.*, 200 U.S.P.Q. 434, 443-445 (N.D. Cal. 1978) the Court limited the defenses to an infringement action which sought to enjoin the use of an incontestable mark to those listed in §1115(b) and granted an injunction against infringement.

Against this background, the Ninth Circuit confirmed its position on incontestability recently in *Lindy Pen Co., Inc. v. Bic Pen Corp.*, 725 F.2d 1240, 1247 (9th Cir. 1984) and in *Prudential Insurance Co. v. Gibraltar Financial Corp.*, 694 F.2d 1150, 1153 (9th Cir. 1982), cert. denied ____ U.S. ____, 103 S.Ct. 3538 (1983). In *Prudential* the court described its interpretation of the statute to contain a defensive/offensive distinction as reasonable, citing at p. 1153, fn. 3, 4 Callman, *Unfair Competition and Trademarks*, 2d Ed., §93.3(c)(1), p. 2075-2076 for the proposition that incontestability may only be used defensively. Since that time, however, even Callman has retreated from that restrictive view, quoting *Union Carbide* at length as questioning and rejecting the defensive/offensive distinction. 4A Callman, *Unfair Competition, Trademarks and*

Monopolies, 4th Ed., §§25.08, 25.09. Also, the Preface to Vol. 4A of Callman's 4th Ed. states at p. iii that "in the controversy over whether incontestability of a registration is a sword as well as a shield, the weight of authority seems to be leaning toward judicial approval of offensive use." Moreover, the Ninth Circuit's cases on incontestability cited herein are otherwise lacking in further reasoning or justification as to that circuit's stand on incontestability, as well as any satisfactory analysis of the Lanham Act in that regard.

In addition, the Eighth Circuit, which had initially adopted the *Morrell* defensive/offensive distinction in *Wrist-Rocket Mfg. Co., Inc. v. Saunders Archery Co.*, 516 F.2d 846 (8th Cir.), cert. denied 423 U.S. 870 (1975), has retreated somewhat from the position in a subsequent decision in the same case in which the issue of incontestability was not reached, noting the "carefully considered" *Union Carbide* decision. *Wrist-Rocket Mfg. Co., Inc. v. Saunders Archery Co.*, 578 F.2d 727, 731, n.4 (8th Cir. 1978). But see, *Schwinn Bicycle Co. v. Murray Ohio Mfg. Co.*, 339 F. Supp. 973, 982 (M.D. Tenn. 1971) (following *Tillamook* and the subsequently overruled *Morrell* decision, and noting *Tillamook*'s reliance on the 2d Ed. of Callman which, as described herein, is no longer Callman's position), *aff'd per curiam on other grounds*, 470 F.2d 975 (6th Cir. 1972).

This Court should adopt the well-reasoned position of the Seventh Circuit as set forth in *Union Carbide* for two reasons. First, *Union Carbide* is soundly based on a clear, straightforward reading of the terms of the Lanham Act and its legislative history, as set forth more fully at pp. 16-24 of this brief. It maintains the integrity of the Lanham Act by properly according the incontestable marks within its protection the strength given them by Congress. See also Gilson, *Trademark Protection and Practice*, §4.03[3] (1980).

Second, the approach of *Union Carbide* should be followed because it clearly demonstrates the fundamental misconception

of *Morrell* on which the defensive/offensive dichotomy rests, and correctly overruled the *Morrell* case on which the Ninth Circuit's interpretation is founded.

Under the Lanham Act as properly construed by *Union Carbide*, Park 'N Fly is entitled to the conclusive presumption that its mark is not merely descriptive, and is entitled to protect its exclusive use of the mark through injunctive relief.

3. The Ninth Circuit Court Of Appeals' Decision Reversing The District Court Injunction Must Be Reversed.

As argued above, the Court of Appeals has misread the Lanham Act and has erroneously denied Park 'N Fly its right to enjoin Dollar Park and Fly's use of its mark. For that reason, the decision of the Ninth Circuit below must be reversed insofar as it reverses the District Court's grant of the injunction.

Dollar Park and Fly may argue, however, that a decision from this Court reversing the Court of Appeals with regard to its ruling on the defensive/offensive distinction as to incontestability would not change the result below because Dollar Park and Fly was in privity with a prior user of the mark and hence comes within the §1115(b)(5) defense to an incontestable mark. There is no merit to this argument.

Section 1115(b)(5), set out in full at p. 4 above, provides in pertinent part that the conclusive presumption of a registrant's exclusive right to use its incontestable mark in commerce is subject to the defense

[t]hat the mark whose use by a party is charged as an infringement was adopted without knowledge of the registrant's prior use and has been continuously used by such party or those in privity with him from a date prior to registration of the mark . . .

Section 1115(b)(5) provides further that the prior use of the mark may continue only in the geographic area where such prior use is proved.

Initially, it must be noted that Dollar Park and Fly rested its argument below on the notion that privity with a prior user was established because that user was the Dollar Park and Fly Company in Seattle which was owned by the Cassans, who also own Dollar Park and Fly in Portland. (See J.A. at 75-76). Such ownership does not, however, indicate that privity is present between the two companies that used the mark. Rather, privity has been defined as "the mutual or successive relationship to the same rights of property." *Gill & Duffus Services, Inc. v. A. M. Nural Islam*, 675 F.2d 404, 405-406 n.3 (D.C. Cir. 1982), citing *First Nat'l Bank of Holdenville, Okla. v. Ickes*, 154 F.2d 851, 853 n.9 (D.C. Cir. 1946). In the instant case, no such showing was made as between Dollar Park and Fly and the other Seattle company owned by the Cassans, and the District Court correctly ruled that there was no evidence of privity. (J.A. at 76).

Moreover, even if privity were present and had been demonstrated, §1115(b)(5) would only protect the use of the mark in the Seattle, Washington area. As noted above, the defense of §1115(b)(5) applies "only for the area in which such continuous prior use is proved."

Dollar Park and Fly may also contend that the protection of any injunction based on incontestability would only protect Park 'N Fly's Registration No. 919,591 and not No. 1,111,956 because the latter mark had not achieved incontestable status. Such an argument should fail, however, because the marks are sufficiently similar, so that any infringement of Registration No. 919,591 would undeniably infringe Registration 1,111,956. Both courts below correctly declined to apply such an overly technical analysis to the marks. (J.A. at 75; 84 - 85). As the Court of Appeals noted when declining to invalidate the marks, "[s]ince the words 'park and fly' constitute the most salient feature" of both marks, they were both entitled to protection. *Park 'N Fly, Inc. v. Dollar Park and Fly, Inc.*, *supra*, 718 F.2d at 331 n.3 (J.A. at 85), citing *Carter-Wallace, Inc. v. Procter &*

Gamble Company, 434 F.2d 794 (9th Cir. 1970). See also, *W&M, Inc. v. Bailey*, 297 F. Supp. 870, 872 (M.D. Tenn. 1969) cited by the District Court in the instant case (J.A. at 75) (holding use of the term "Opry" in a record company's business infringed the trademark "Grand Ole Opry.") See also, *Park 'N Fly, Inc. v. Park & Fly, Inc.*, 489 F. Supp. 422, 427 (D. Mass. 1979). Consequently, both of Park 'N Fly's marks are entitled to protection from respondent's use of "Park and Fly."

Dollar Park and Fly may also continue to argue that the mark is merely descriptive and hence not entitled to trademark protection in the first place. Such an argument is foreclosed, however, by the conclusive presumption provided the incontestable mark by the Lanham Act, as argued above at pp. 16 - 24. If, however, this Court were to hold that the protection of the Lanham Act is not as Park 'N Fly submits with regard to incontestability, the Court of Appeals should be directed to remand the action to the trial court for findings with regard to mere descriptiveness. The Court of Appeals' finding that the mark was in fact merely descriptive should be reversed because it violates Fed. R. Civ. P. 52, which requires that district court findings of fact be upheld unless they are found to be clearly erroneous.¹¹ In determining that the mark is merely descriptive, the Court of Appeals simply acted as the factfinder and provided its own explanation as to why the mark is merely descriptive without regard to findings in the record below. See *Park 'N Fly, Inc. v. Dollar Park 'N Fly*, *supra*, 718 F.2d at 331 (J.A. at 86).

Such a determination, if it is reached in this Court's analysis of the legal standard to be applied in the case, must be reversed

¹¹ The trial court found that both Park 'N Fly and Dollar Park and Fly added descriptive language to their names in advertising to describe the services offered. (J.A. at 73). This finding, of course, suggests that the names alone do not describe the businesses in question.

because it is an impermissible usurpation of the trial court's fact finding function. See, *Pullman-Standard v. Swint*, 456 U.S. 273, 291-292 (1982); cf. *Inwood Laboratories Inc. v. Ives Laboratories, Inc.*, 456 U.S. 844, 855-858 (1982).

Finally, Dollar Park and Fly may argue that this Court should not direct the reinstatement of the injunction because the mark in question is generic.¹² The Court of Appeals correctly found, however, that Dollar Park and Fly had failed to provide sufficient evidence with regard to public perceptions on the issue of genericness. *Park 'N Fly, Inc. v. Dollar Park 'N Fly*, *supra*, 718 F.2d at 330. See also, *Park 'N Fly, Inc. v. Park & Fly, Inc.*, *supra*, 489 F. Supp. at 427.

Consequently, this Court should not entertain any argument that the Park 'N Fly mark is generic and therefore not subject to the protection of an injunction.

CONCLUSION

Congress meant what it said when it enacted the Lanham Act: Once a trademark has properly been registered and has successfully achieved the status of incontestability, its registrant has the exclusive right to use the mark subject only to seven specific defenses. There is no defensive/offensive distinction in the Act. Petitioner is therefore entitled to enforce its exclusive right by an injunction against Dollar Park and Fly's infringement.

¹² A generic mark is one that has become associated with the product or service itself rather than with the producer or the provider of the service and is not subject to incontestability status. See *Anti-Monopoly, Inc. v. General Mills Fun Group, Inc.*, 611 F.2d 296, 302 (9th Cir. 1979); *Surgicenters of America, Inc. v. Medical Dental Surgeries Co.*, 601 F.2d 1011, 1016 (9th Cir. 1979). See also, *Park 'N Fly, Inc. v. Dollar Park and Fly, Inc.*, *supra*, 718 F.2d at 330 (J.A. at 82).

The decision of the Ninth Circuit Court of Appeals in the instant case should be reversed insofar as it reversed the District Court injunction, and the Court of Appeals should be directed to affirm the decision of the District Court in its entirety.

Respectfully submitted,

ALAN E. POPKIN
Counsel of Record

TIMOTHY F. NOELKER
MITCHELL H. HERZOG
POPKIN, STERN, HEFFETZ,
LURIE, SHEERAN, RERY &
CHERVITZ
7733 Forsyth Boulevard
22nd Floor
St. Louis, Missouri 63105
(314) 862-0900

Counsel for Petitioner
Park 'N Fly, Inc.

JOINT APPENDIX

FILED

MAY 19 1984

ALEXANDER L. STEVENS

No. 83-1132

IN THE
Supreme Court of the United States

OCTOBER TERM, 1983

PARK 'N FLY, INC.,
Petitioner,

vs.

DOLLAR PARK AND FLY, INC.,
Respondent.

On Writ of Certiorari to the United States
Court of Appeals for the Ninth Circuit

JOINT APPENDIX

J. PIERRE KOLISCH
KOLISCH, HARTWELL
& DICKINSON
200 South Pacific Building
520 S.W. Yamhill
Portland, Oregon 97204
(503) 224-6655

Counsel for Respondent
Dollar Park And Fly, Inc.

ALAN E. POPKIN
Counsel of Record

TIMOTHY F. NOELKER
MITCHELL H. HERZOG
POPKIN, STERN, HEIFETZ,
LURIE, SHEEHAN, REBY &
CHERVITZ

7733 Forsyth Boulevard
22nd Floor
St. Louis, Missouri 63105
(314) 862-0900

Counsel for Petitioner
Park 'N Fly, Inc.

PETITION FOR CERTIORARI FILED JANUARY 10, 1984
CERTIORARI GRANTED MARCH 5, 1984

BEST AVAILABLE COPY

89 PT

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DOCKET ENTRIES

Date	NR	Proceedings
1978		
June 7	1)	Complt
June 8	2)	Issd Sums
July 18	3)	Ret'n of serv s/c on James T. Cassan, Reg. Agent for Dollar Park & Fly, Inc. exec
Aug 9	5)	ANS & Demand for J/T
Aug 14	6)	Ord re Discv & PT Proceedings 1) 3/1/79 2)____ 3) 5/2/79 S J 8/14/78
1979		
Apr 27	7)	Notc of appearance of J. Pierre Kolisch for deft Dollar Park & Fly, Inc.
Apr. 30	8)	Stip re discv PTO shall be ldgd on 4/15/79 and deft may file an amend ans & counterclaim w/in 30 days
Apr. 30	9)	Ord that discv proce may be reopened and parties have until 9/1/79 to complete discv 2) PTO lodgd on 10/15/79 3) deft may file amend ans and counterclaim on or before 5/30/79 s BE 4/30/79
May 25	10)	Amend ANS and counterclaims, demand for J/T
June 12	11)	Pltff's Reply to deft's counterclaims
June 12	12)	Stip Substit of Atty for pltff s Clerk 6/12/79
June 12	13)	Stip & Ord for extens of time to adn incl 6/15/79 ntfd s Clerk 6/12/79
Aug 13	14)	Ord re discv - PTO ldgd by 12/15/79 s BE 8/13/79
Oct 16	15)	Ord re discv PTO ldgd by 3/3/80 s L 10/16/79

1980

- Jan 10 16) Ord re discv PTO ldgd by 5/1/80 s L 1/10/80
- Mar 5 17) Stip & Ord re discv PTO ldgd by 7/15/80
s L 3/5/80
- May 28 18) Stip & Ord re discv - PTO ldgd by 9/15/80
s L 5/28/80
- June 11 19) Notc of Taking Depos upon Written Questions
of Max Ginsburg
- June 11 20) Notc of Taking Depos upon Written Questions
of Kerry Pacifico, Sr.
- June 11 21) Notc of Taking Depos upon Written Questions
of Jean Barrier
- June 11 22) Notc of Taking Depos upon Written Questions
of Max Ginsburg
- July 29 23) Stip & Ord re filing amend ans s L 7/29/80
- July 29 24) Second Amend ANS & Counterclaims
- July 29 25) Stip & Ord re discv - PTO ldgd by 11/1/80
s L 7/29/80
- Aug 15 26) Pltf's Reply to the Counterclaims in Deft's "2nd
amend Ans & Counterclaims"
- Oct 8 27) ANSWERS to written interrogs.
- Oct 28 28) Stip & Ord re Discv - PTO ldgd by 12/15/80
s L 10/28/80
- Dec 12 29) Stip & Ord re discv - PTO ldgd by 1/30/81
s L 12/12/80-ntfd

1981

- Feb 3 30) Stip & Ord re discv - PTO ldgd by 2/28/81
s L 2/3/81-ntfd
- Feb 27 (i) Ldgd PTO

- Mar 5 31) Rec of Ord that this case is assigned to Judge
Frye for trial and all further Proceedings. This
assignment is made pursuant to the Court's
Assignment Plan. All counsel have not orally
stipulated to trial by a U.S. Magistrate CMC
- Mar 5 32) Ltr notc to cnsl re case assigned to Judge Frye
- Mar 6 33) Rec of ord setting case for status conf on Mon-
day 3/23/81 at 10:00 am before Judge Helen J.
Frye. FR
- Mar 23 34) Rec of status conf. Case scheduled for trial
6/23/81 at 9:30 am before Judge Frye. Trial
memo should be filed by 6/17/81. (Court 1 day)
- May 20 35) Rec of ord striking trial date of 6/23/81. ORD
resetting trial date to 9/22/81. Parties will file &
exchange trial memo on Tues 9/15/81 (1 day,
CT) FR [wk 9/21/81] ntfd
- Aug 26 36) Rec of ord setting PTC for Mon 9/14/81 at
11:30 am before Judge Frye (Trial scheduled for
Tues 9/22/81) FR [PTC 9/14/81]
[wk 9/21/81] ntfd
- Sept 14 36a) Deft's Trial Brief
- Sept 16 37) Pltf's Trial Memo
- Sept 16 38) Pltf's Memo of authorities to support mot to ex-
clude evidence on "Descriptiveness" (Filed pur-
suant to Local Rule 20(e).
- [Sept 11] 36b Rec of ord resetting PTC to Wed 9/16/81 at
10 am. Conf Call FR ntfd
- Sept 16 39) Rec of PTC. Defts to file their exhs today. Pltf's
o/mot to specially admit Paul Gardner for the
purposes of this case only. ORD GRANTING.
- Sept. 18 40) Pltf's supplmntl Trial Memo on the issue of
"Generic" Defense [c-FR]
- Sept. 18 41) Pltf's PT summary of Testimony (Local Rule
20 (a))

- Sept 18 42) Summary of Testimony of James Cassan [c-FR]
- Sept 18 43) Summary of Testimony of William Wriston [c-FR]
- Sept 18 44) Deft's req for leave of court for Deft to amend PTO to include addtl exh [c-FR]
- Sept 18 45) Deft's Memo in opp'ns to Pltf's mot to exclude on descriptiveness [c FR]
- Sept 22 46) Rec of C/T. Defts Mot to amend PTO. ORD GRANTED. Evidence adduced. See separate list for exhs & witnesses. Pltf to mail Post Trial brief by 10/9/81. Deft to file post-trial brief by 5 pm Mon 11/2/81. Pltf has 15 days thereafter to file reply FR pr:pr
- Sept 23 47) List of exhs & witnesses
- Sept 29 48) Reporter's Transc of Proc had Sept 22, 1981
- Oct 1 49) Rec of ord directing dft's atty Klish to remove exh #110 from the possession of the clk not later than 10/9/81. Dft's atty may submit a photograph of the exh. Dft's atty is directed to retain custody of exh #110 during the pendency of the appeal, if any. FR ntfd
- Oct 6 50) Rec of agreement of cnal that the briefing schedule will be revised as follows: Pltf's brief & findings of fact due on 10/23/81; Deft's brief & findings of fact due on 11/16/81 & Pltf's reply brief, if any, will be due on 11/30/81 FR
- Oct 23 51) Pltf's Post-Trial Brief [c-FR]
- Oct 23 52) Proposed Findings of Fact & conclusions of law (submitted by Pltf, following trial) [c-FR]
- Nov 16 53) Deft's Proposed Findings of fact & conclusions of law [c-FR]
- Nov 16 54) Deft's Post-Trial Brief [c-FR]
- Nov 30 55) Rec of ord granting ext of time for filing of pltf's reply to 12/8/81. FR [wk 12/7/81] ntfd
- Dec 8 56) Pltf's Post-Trial Brief (Responsive to Deft's Post-Trial Brief) [to FR]

1982

- Jan 25 57) Findings of fact & conclusions of law - Pltf is entitled to a permanent injunction ordering the deft to cease using the words "Park and Fly" & any other mark confusingly similar to "Park 'N Fly." Cnal for pltf will prepare the appropriate ord for disposition of this case. s FR 1/22/82 e/m 1/26/82 ntfd
- Apr 2 58) JUDGMENT, INJUNCTION & COSTS-ORD-Pltf's certificates of Registration in the U.S. Patent & Trademark Ofce, Numbers 919,591 & 1,111,956 are valid; & Pltf is the owner of the mark "Park 'N Fly." Deft's is restrained as to certain aspects of usage of terms "Park & Fly" (See Judgment for specifics) Pltf is awarded its costs in prosecuting this litigation. s FR 4/2/82 e/m 4/2/82 ntfd
- Apr 16 59) Bill of costs, & affid in support thereof
- Apr 20 60) Deft's mot for Supersedeas to stay enforcement of the judgment in favor of pltf on 4/2/82 [to FR]
- Apr 20 61) Notc of Appeal by deft from final judgment ent on 4/2/82 receipt #15542 (red'd this appeal on 4/23/82 at docket desk)
- Apr 23 0) Notc of Appeal, Docket fee, docket to C/A
- Apr 23 0) Notc of Appeal to Theodore F. Schwartz, Owen D. Blank, J. Pierre Kolisch
- Apr 28 62) Rec of ord granting deft's mot for supersedeas bond FR ntfd
- May 3 63) Notc of filing bond for costs on appeal. Deft hereby deposits the sum of \$250.00 payable to the clerk of US Dist. Court to cover cost on appeal. Receipt #15663

- June 7 64) ORDER - Appellant to designate R/T w/in 14 days of entry of this ord; Appellant to file brief of 35 pages on 9/3/82; Appellees to file brief of 40 pages on 10/15/82; Appellants to file reply brief of 15 pages w/in 14 days of filing of appellee's brief; This ord is subject to reconsideration by a judge if obj is filed w/in 10 days of entry of the ord. C/A
- June 16 65) Designation of reporter's transcript filed.
- June 22 66) Certificate of Record mailed to C/A & copies to encl w/updated docket
- June 31 66) LTR re: Copy of PTO in to be ent in lieu of the orig as filed (Agreed by all parties)
- June 31 67) PTO FILED. NUNC PRO TUNC DATE OF TRIAL : FR 8/31/82

IN THE UNITED STATES DISTRICT COURT
DISTRICT OF OREGON

Civil No. 78531

Patent

Park 'N Fly, Inc.,
a Missouri Corporation,
Plaintiff,

v.

Dollar Park and Fly, Inc.,
an Oregon Corporation,
Defendant.

COMPLAINT FOR TRADEMARK INFRINGEMENT
AND UNFAIR COMPETITION

(Filed June 7, 1978)

Count I

Complaint For Trademark Infringement

Comes now the plaintiff and for its Complaint for Trademark Infringement and Unfair Competition, states:

1. That Plaintiff is a Missouri Corporation duly organized and existing under the laws of the State of Missouri, having its principal place of business in the County of St. Louis, State of Missouri.

2. That at all times hereinafter mentioned, defendant Dollar Park and Fly, Inc., was and is an Oregon corporation, duly organized and existing under the laws of the State of Oregon, and was and is doing business as Dollar Park and Fly, Inc., having its principal place of business and principal office in Portland, Oregon.

3. Jurisdiction of this action and of the Court is based upon 28 USC, §1332, in that plaintiff and defendant are of diverse citizenship, and that at the time the cause of action occurred, plaintiff and defendant were of diverse citizenship, and the amount in controversy exceeds the sum of \$10,000.00 exclusive of interest and costs, and plaintiff prays for relief from trademark infringement and unfair competition under the trademark statutes of the United States, Public Law 489, 79th Congress, Chapter 540, and more particularly 15 USC, §1121 and 28 USC, §1338.

4. That plaintiff has been continuously engaged in providing off airport parking and transporting vehicular occupants, including luggage, to and from airports adjacent to plaintiff's off airport parking sites, and that plaintiff has been conducting said business throughout the United States and Canada.

5. That plaintiff, through its subsidiaries, operates off airport parking and transportation of vehicular occupants in the City of St. Louis, State of Missouri; City of San Francisco, State of California; City of Cleveland, State of Ohio; City of New Orleans, State of Louisiana; City of Houston, State of Texas; and the City of Montreal, Canada.

6. That plaintiff, at great expense and effort, has developed and created a demand for off airport parking and transportation of vehicular occupants to and from said off airport site and said airport and that plaintiff has expended great sums of money and effort promoting, developing, advertising and creating the need and demand and use of said off airport parking service and transportation to and from said airports.

7. Plaintiff has continuously, since September 26, 1967, engaged in the business and operation of off airport parking and transportation to and from said parking site to the airport, and is presently offering said service in all of the aforesaid major cities heretofore mentioned throughout the United States and Canada.

8. That the traveling public, moving in interstate commerce from city to city, has recognized the service offered by plaintiff and has come to recognize "Park 'N Fly" in providing quality off airport parking and transportation to and from said airport.

9. That as a result of plaintiff's development, promotion and advertising of said service under its trademark, "Park 'N Fly", and the widespread use of said service by the general public, said service has come to be, and now is, well and favorably known to the public under said trademark, and said trademark has become, and now is, distinctive of plaintiff's services offered in interstate commerce.

10. That plaintiff, has a large and profitable business throughout the United States and Canada, and that all of said business is conducted under said trademark, "Park 'N Fly", and plaintiff has thereby built up and now has a valuable good will in said trademark, "Park 'N Fly".

11. That plaintiff, Park 'N Fly, Inc., duly registered its trademark, "Park 'N Fly" together with its "logo" in the United States Patent Office under the provisions of the Trademark Act and said trademark was duly registered on August 31, 1971, with the first use being September 26, 1967, Registration No. 919591. Said registration is in full force and effect, unrevoked and uncanceled, and is owned by plaintiff.

12. That plaintiff has continuously, since September 26, 1967, engaged in the off airport vehicular parking and transporting of vehicular occupants, including luggage, to and from airports under its principal trademark, "Park 'N Fly". Said trademark has been used by plaintiff exclusively and continuously during such period to identify its services and the traveling public has recognized the "Park 'N Fly" trademark as identifying the services offered to the traveling public by plaintiff.

13. Plaintiff has expended, and continues to expend, substantial sums of money to advertise its services under such trademark, and such trademark and the good will attached

thereto have substantial value. That recently and long subsequent to plaintiff's use and registration of its trademark, and notwithstanding such use and registration by plaintiff, of which defendant has full knowledge, copy of said notice attached hereto and made a part hereof, the defendant began to and now is offering in interstate commerce a similar service under the tradename, "Dollar Park and Fly".

14. That the defendant, within the District of Oregon, is now offering an off airport parking service to the traveling public and transportation of said public to and from said off airport parking site to said airport, and that the aforesaid use by defendant of "Dollar Park and Fly" on and in conjunction with defendant's off airport parking operation is likely to cause confusion, a mistake, or to deceive the traveling public as to the belief that said off airport parking service is service offered by plaintiff under the trademark, "Park 'N Fly".

15. That the aforesaid use of the name, "Dollar Park and Fly" by defendant is likely to induce persons of the traveling public to use, recommend and refer to defendant's off airport services when, in fact, said traveling persons intend to use, recommend and refer to plaintiff's off airport parking services, which deception and mistake will result in great damage to plaintiff.

16. That defendant is unfairly trading upon and appropriating the reputation and good will of plaintiff as represented by plaintiff's trademark and are imposing fraud and deception on the traveling public.

17. That defendant has been and is continuing to wilfully and knowingly infringe upon plaintiff's registered trademark, "Park 'N Fly", by using such mark, "Dollar Park and Fly" in commerce, through advertising and otherwise in connection with the offering of defendant's services, and further by wilfully and knowingly using such mark in commerce in such manner as to falsely represent and to tend to falsely represent the designa-

tion of original off airport parking services as to confuse said service with that which is offered by plaintiff, and so further cause confusion, mistake and deception with respect to defendant's relation with plaintiff and plaintiff's services and trademark by exploitation and in damages to the reputation and good will plaintiff associated with such trademark.

18. That plaintiff has demanded that the defendant discontinue infringing upon plaintiff's trademark, but defendant has failed and refused and continues to fail and refuse to comply therewith.

19. That the defendant will continue to so infringe upon plaintiff's trademark unless enjoined by this Court.

20. That defendant's use of "Dollar Park and Fly" is damaging to plaintiff in an amount far exceeding the sum of \$10,000.00, exclusive of interest and costs, and will continue to damage plaintiff substantially and irrevocably unless restrained by this Court, and the value of plaintiff's rights and good will symbolized by its trademark are far in excess of \$10,000.00 exclusive of interest and costs.

21. That defendant's use of "Dollar Park and Fly" is an infringement of plaintiff's trademark, under the Trademark Statute of the State of Colorado, State of California, State of Missouri, State of Texas, State of Louisiana and State of Ohio, and is an infringement of plaintiff's federally registered trademark, "Park 'N Fly", under the Federal Trademark Statute.

Count II

Complaint For Unfair Competition

Comes now the plaintiff and for Count II of its complaint alleges and states:

1. Plaintiff repeats and realleges each and every allegation made in Count I as though the same were set out at length herein.

2. That as a result of the advertising, promotion and development by plaintiff of its off airport parking service under its trademark, "Park 'N Fly", the said trademark has developed and now has a secondary and distinctive trademark meaning to the traveling public and has come to mean and does now mean, indicate, and stand for a service of plaintiff to the traveling public in the major cities throughout the United States.

3. That the aforesaid acts and conduct of defendant constitutes unfair competition with plaintiff under the common law.

4. That the aforesaid acts of defendant constitutes unfair competition with plaintiff under the trademark laws of the United States.

5. That the aforesaid acts of defendant constitutes unfair competition with plaintiff in that they are calculated to and do result in the unjust enrichment of defendants since they avail to defendant the benefit of plaintiff's valuable good will, all to plaintiff's great damage and detriment.

WHEREFORE, as to both Count I and Count II, plaintiff prays:

1. That Defendant and its officers, agents, employees, assigns, successors, attorneys and all other persons acting by and under them, be enjoined and restrained from:

- (a) Infringing upon plaintiff's trademark and from further unfair competition.
- (b) Using "Dollar Park and Fly" or any other counterfeit copy or colorable imitation of plaintiff's federally registered trademark.
- (c) Passing off or providing others with the means of passing off in any manner defendant's services as that of plaintiff, "Park 'N Fly", or as having any connection with plaintiff.

- (d) Using any marks, or doing any acts or things likely to induce the belief on the part of the traveling public that defendant's services are in any way connected with plaintiff's services.

2. That defendant be required to account for any pay over to plaintiff for all gains and/or profits of defendant resulting from the purchase of services under the name, "Dollar Park and Fly" and all damages to the plaintiff arising from the said trademark infringement and unfair competition herein complained.

3. That plaintiff have judgment against defendant for treble damages by virtue of defendant's willful trademark infringement.

4. That plaintiffs recover from defendant the costs of this action; including a reasonable attorneys' fee, said attorneys' fees estimated to be in the amount of \$15,000.00 for trial.

5. That plaintiffs have such other relief as this Court deems just and equitable.

Law Offices of Theodore Schwartz

By: /s/ Theodore F. Schwartz

By: /s/ Ira L. Gottlieb

PARK 'N FLY

February 18, 1977

Dollar Rent A Car
82nd at Airport Rd.
Portland, Oregon 97208

Gentlemen:

We have been advised that Dollar Rent A Car is using the words "Park 'N Fly" in their operation in Portland.

Park 'N Fly, Inc. is the owner of the trademark, "Park 'N Fly" which has been registered together with our logo in the U.S. Patent Office as of August 31, 1971, with the first use on September 26, 1967, registration no. 919591. This registration is in full force and effect and is unrevoked and uncanceled.

Our service is located in numerous cities throughout the U. S. and Canada. Therefore, we believe that your use of the words "Park 'N Fly" is an infringement on our trademark and is likely to cause the public to be confused or mistaken as to the source or origin of such service. In order to avoid such public confusion and mistake, we ask that you cease your use of such words.

We trust that you will promptly and amicably agree to our request so as to avoid any controversy or litigation. We look forward to receipt of your written assurance that you will discontinue your use of the words "Park 'N Fly".

Very truly yours,

PARK 'N FLY, INC.

Martin J. Bloom
Chairman

MJB:ad

cc: Theodore F. Schwartz
Attorney-At-Law

**UNITED STATES DISTRICT COURT
FOR THE
DISTRICT OF OREGON**

Civil Action File No. 78531

Park 'N Fly, Inc.
a Missouri Corporation,
Plaintiff

v.

Dollar Park And Fly, Inc.
an Oregon Corporation,
Defendant

SUMMONS

To the above named Defendant:

You are hereby summoned and required to serve upon IRA L. GOTTLIEB plaintiff's attorney, whose address 933 American Bank Building, Portland, Oregon, 97205 an answer to the complaint which is herewith served upon you, within 28 days after service of this summons upon you, exclusive of the day of service. If you fail to do so, judgment by default will be taken against you for the relief demanded in the complaint.

Robert M. Christ
Clerk of Court.

/s/ M. Cathy Rhodes
Deputy Clerk.

Dated: June 8, 1978

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF OREGON

(Title Omitted In Printing)

**SECOND AMENDED ANSWER
AND COUNTERCLAIMS**

(Filed July 29, 1980)

Defendant, DOLLAR PARK AND FLY, INC., for its second amended answer and counterclaims states:

1. Defendant is without knowledge or information sufficient to form a belief concerning paragraphs 1, 4, 5, and 7 of Count I of the complaint and leaves plaintiff to its proof.
2. Admits paragraphs 2 and 3 of Count I of the complaint.
3. Denies paragraphs 6, 8, 9, 10, 12, 13, 15, 16, 17, 19, 20, 21 of Count I of the complaint.
4. With respect to paragraph 11 of Count I, defendant admits that service mark registration No. 919,591 was registered in the United States Patent and Trademark Office on August 31, 1971, but denies the other allegations of said paragraph.
5. With respect to paragraph 14 of Count I, admits that defendant within the District of Oregon is now offering off-airport parking service to the traveling public and transportation to the public between the parking lot and the airport, but denies the other allegations of said paragraph.
6. With respect to paragraph 18 of Count I, defendant admits that it received a letter dated February 18, 1977 from plaintiff, a copy of which was attached to the complaint, and denies all other allegations of said paragraph.
7. With respect to paragraph 1 of Count II of the complaint, admits and denies as previously pleaded with respect to Count I.
8. Denies paragraphs 2, 3, 4 and 5 of Count II.

AFFIRMATIVE DEFENSES

Defendant affirmatively alleges that:

9. James T. Cassan of Seattle, Washington, is president of defendant DOLLAR PARK AND FLY, INC. Commencing in 1967 in Seattle, Washington, he operated an off-airport parking facility in which cars were parked and their occupants transported to Sea-Tac Airport. Sometime in the period 1967-73 he used the words "park and fly" to describe the services of that business.

10. Other persons, the exact identity of whom is not presently known but whose identities will be disclosed to plaintiff when they become known to defendant, have, for a number of years, in various parts of the United States, used the words "park and fly" or some such similar expression in connection with off-airport parking facilities.

11. Defendant, DOLLAR PARK AND FLY, INC., commenced operation of an off-airport parking facility at the Portland Airport early in 1973 and has continuously since then used the expression "park and fly" or substantially similar expression to describe its business.

12. The words "park and fly" standing alone are merely descriptive of the services offered by plaintiff and others who operate off-airport parking facilities for the convenience of people who wish to park their cars and fly from an airport. The expression "park and fly" is a contraction of "Park your car and fly" which expression is incapable of achieving any trademark and/or service mark significance by common law or under the applicable statutes of the United States and the State of Oregon.

13. Defendant's name is "DOLLAR PARK AND FLY, INC." and defendant has used the words "park - fly" in its name and advertising. Defendant's use is different and distinguishable from plaintiff's mark which is "Park 'N Fly, Inc." along with a design.

14. Plaintiff at the time of filing application for registration of its service mark, registration no. 919,591, knew or should have known that others, were then using and had previously been using the words "park and fly" in combination with other words or designs for off-airport parking facilities.

15. Service mark registration no. 919,591 on the Principal Register to plaintiff is invalid and unenforceable by reason of its having been fraudulently procured by knowingly false and misleading allegations in the application, and affidavits presented during prosecution of the application. Plaintiff is equitably estopped to bring this action in an effort to enforce its registration no. 919,591 because of willful and knowing fraud in the procurement of said registration.

16. Plaintiff is equitably estopped to recover in this action because it is seeking to do so on an invalid registration. Plaintiff is coming into this Court with unclean hands. Service mark registration no. 919,591 is invalid, void and unenforceable because plaintiff, knowing that the registration was issued on the basis of false representations made to the Trademark Office, has misused the same by knowingly and illegally asserting the registration against defendant and others, thus with knowledge to continue the fraud originally practiced and illegally to assert a position not rightfully obtained.

FIRST COUNTERCLAIM

17. This counterclaim is asserted and jurisdiction of the Court is invoked under Title 15, United States Code, §1121, and Title 28, United States Code §1338.

18. This counterclaim arises under Title 15, United States Code, §1119 to obtain cancellation of service mark registration no. 919,591.

19. Plaintiff is the owner of service mark registration no. 919,591, registered in the United States Patent and Trademark Office on August 31, 1971.

20 Plaintiff owns and operates airport parking facilities under the name "PARK 'N FLY, INC." which expression is merely descriptive of the services provided at plaintiff's businesses, namely parking cars near airports for people who fly from the airports. This expression is nondistinctive, descriptive, and not the proper subject for registration on the Principal Register of the United States Patent and Trademark Office under Title 15 United States Code §1052(c).

21. Other persons in interstate commerce have continuously used for some time prior to plaintiff's registration of said mark the words "park and fly" or similar expression to describe services of an off-airport parking facility.

22. Service mark registration no. 919,591 to plaintiff is invalid and unenforceable by reason of its being merely descriptive and having been fraudulently procured by knowingly false and misleading allegations in the application in the United States Patent and Trademark Office. Such registration should be cancelled from the Principal Register in the United States Patent and Trademark Office to prevent plaintiff from further harassing its competitors as it has done by suing defendant and others of its competitors.

SECOND COUNTERCLAIM

23. This counterclaim is asserted and jurisdiction of the Court is invoked under Title 15, United States Code §1121.

24. This counterclaim arises under Title 15, United States Code §1120 to recover damages sustained as a consequence of plaintiff procuring service mark registration no. 919,591 by false or fraudulent declarations or representations or by some other false means.

25. Plaintiff, knowing that service mark registration no. 919,591 was procured by false or fraudulent declarations or representations or other false means has used the same to harass

defendant and injure it in its business by bringing suit against it for trademark infringement and unfair competition.

26. As a direct and proximate consequence of plaintiff's action, defendant has been inhibited in the expansion of its business and has been required to expend substantial sums of money and time to investigate this matter, hire attorneys and defend itself against such harassment based on a false or fraudulently obtained service mark registration and as a consequence of such, defendant has been financially damaged in the sum of \$250,000.00.

THIRD COUNTERCLAIM

This counterclaim is asserted pursuant to Title 28, United States Code, §2201, for a declaratory judgment of invalidity and noninfringement of plaintiff's service mark registration no. 1,111,956.

28. Jurisdiction of the Court is invoked under Title 15, United States Code, §1121, and Title 28, United States Code, §1338.

29. This counterclaim arises under Title 15, of the United States Code, §1119, to obtain cancellation of service mark registration no. 1,111,956.

30. Plaintiff is the owner of service mark registration no. 1,111,956, for "Park 'N Fly" registered in the United States Patent and Trademark Office on January 23, 1979.

31. Plaintiff owns and operates airport parking facilities under the name "PARK 'N FLY, INC.," which expression is merely descriptive of the services provided at, plaintiff's businesses, namely parking cars near airports for people who fly from the airports. This expression is nondistinctive, descriptive and not the proper subject for registration on the Principal Register in the United States Patent and Trademark Office under Title 15, United States Code, §1052(e).

32. Other persons in interstate commerce have continuously used for some time prior to plaintiff's registration of said mark the words "park and fly" or similar expressions to describe services of an off-airport parking facility.

33. Service mark registration no. 1,111,956 to plaintiff is invalid and unenforceable by reason of its being merely descriptive as having been fraudulently procured by knowingly false and misleading allegations in the application and affidavits presented during prosecution of the application in the United States Patent and Trademark Office. Such registration should be cancelled from the Principal Register in the United States Patent and Trademark Office to prevent plaintiff from further harassing its competitors as it has done by suing defendant and others of its competitors.

WHEREFORE, defendant prays:

1. That each of plaintiff's service mark registration nos. 919,591 and 1,111,956 be adjudicated to be descriptive and not the proper subject for common law trademark protection or any statutory registrations;

2. That each of plaintiff's service mark registration nos. 919,591 and 1,111,956 be cancelled from the Principal Register of the United States Patent and Trademark Office;

3. That each of plaintiff's service mark registration nos. 919,591 and 1,111,956 be declared invalid, void and unenforceable;

4. That defendant be adjudged not to have infringed plaintiff's marks;

5. That plaintiff's fraud on the Patent and Trademark Office in obtaining registrations of its marks and subsequent misuse thereof equitably estops it from asserting such trademarks against defendant;

6. That plaintiff's complaint be dismissed with costs assessed against plaintiff;

7. That defendant be awarded damages including attorneys' fees sustained as a consequence of plaintiff's false or fraudulent registration of its trademarks on the United States Patent and Trademark Office in the sum of \$500,000.00;

8. That defendant recover such other amounts and receive such further relief as the Court shall deem just and proper.

**KOLISCH, HARTWELL &
DICKINSON**

/s/ J. Pierre Kolisch
Attorneys for Defendant

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF OREGON**

(Title Omitted In Printing)

**STIPULATION AND ORDER
RE AMENDED ANSWER**

(Filed July 30, 1980)

Subject to the approval of the court, and further subject to the approval of the court of the order modifying the discovery and pretrial order schedule submitted herewith, it is stipulated between the parties through their respective attorneys that defendant may file the attached Second Amended Answer and Counterclaims.

Dated this 24th day of July, 1980.

/s/ Owen D. Blank
Attorney for Plaintiff

/s/ J. Pierre Kolisch
Attorney for Defendant

It is so ordered 7/29/80

/s/ Edward Leary
Magistrate

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF OREGON

(Title Omitted In Printing)

**PLAINTIFF'S REPLY TO THE
COUNTERCLAIMS IN DEFENDANT'S
"SECOND AMENDED ANSWER
AND COUNTERCLAIMS"**

(Filed Aug. 15, 1980)

Plaintiff, Park 'N Fly, Inc., hereby replies to defendant's counterclaims (in defendant's "Second Amended Answer and Counterclaims") as follows:

Answer To First Counterclaim

1. Plaintiff admits the allegations in defendant's paragraph 17.
2. Answering paragraph 18 of defendant's "First Counterclaim," plaintiff admits that this Court has jurisdiction to order cancellation of plaintiff's service mark registration pursuant to 15 U.S.C. 1119, but denies that grounds exist for defendant's counterclaim.
3. Plaintiff admits the allegations of defendant's paragraph 19.
4. Answering defendant's paragraph 20 of defendant's "First Counterclaim," plaintiff admits that it operates off-site airport parking facilities under the service mark "Park 'N Fly." Plaintiff denies each and every other allegation of defendant's paragraph 20.
5. Plaintiff denies each and every allegation in defendant's paragraph 21.
6. Plaintiff denies each and every allegation in defendant's paragraph 22.

Answer To Second Counterclaim

7. Plaintiff admits the allegation in defendant's paragraph 23.
8. Plaintiff denies each and every allegation of defendant's paragraph 24, with the sole exception that plaintiff admits that defendant purports to file its counterclaim under 15 USC 1120.
9. Plaintiff denies each and every allegation of defendant's paragraph 25.
10. Plaintiff denies each and every allegation of defendant's paragraph 26, with the sole exception that plaintiff admits that defendant has hired an attorney to represent defendant in this litigation.

Answer To Third Counterclaim

11. Plaintiff admits the allegations of defendant's paragraph 27.
12. Plaintiff admits the allegations of defendant's paragraph 28.
13. Answering paragraph 29 of defendant's "Second Counterclaim," plaintiff admits that this Court has jurisdiction to order cancellation of plaintiff's service mark registration pursuant to 15 U.S.C. 1119, but denies that grounds exist for defendant's counterclaim.
14. Plaintiff admits the allegations of defendant's paragraph 30.
15. Answering defendant's paragraph 31 of defendant's "Third Counterclaim," plaintiff admits that it operates off-site airport parking facilities under the service mark "Park 'N Fly." Plaintiff denies each and every other allegation of defendant's paragraph 31.
16. Plaintiff denies each and every allegation in defendant's paragraph 32.

17. Plaintiff denies each and every allegation in defendant's paragraph 33.

WHEREFORE, plaintiff prays:

1. That plaintiff's service mark and registrations Nos. 919,551 and 1,111,956 be confirmed to be valid.

2. That each and every prayer of defendant be denied.

3. That, with regard to defendant's allegations relating to alleged "fraud," "harassment," "restraint" and "monopoly" allegations, plaintiff be awarded additional attorneys' fees (i.e., in addition to those sought in plaintiff's original prayer) because of the totally unfounded and untenable nature of these allegations.

4. That plaintiff be awarded the relief set forth in the prayer to its complaint, including attorneys' fees in excess of those originally requested, in accordance with proof to be furnished by plaintiff on this matter.

Date: _____

By Owen Blank
Attorney for Plaintiff

Date: 8-12-80

By /s/ Paul L. Gardner
Attorney for Plaintiff

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF OREGON

(Title Omitted In Printing)

PRETRIAL ORDER

As a result of a pretrial conference, the following issues of fact and law were framed and exhibits identified.

I.

Nature Of Proceedings

1. This is an action for trademark infringement. Plaintiff charges defendant with infringing plaintiff's federally-registered service mark Registration No. 919,551, a copy of which is attached hereto as Exhibit I. Plaintiff seeks injunctive relief pursuant to the provisions of the Federal Trademark Act, 15 U.S.C. Sections 1051-1127, particularly Sections 1114(1) and 1117.

Plaintiff has withdrawn its complaint for unfair competition.

3. In its Second Amended Answer and Counterclaims, defendant denies the material allegations of plaintiff's Complaint. In its Third Counterclaim defendant seeks a declaration of invalidity and cancellation of plaintiff's Registration No. 1,111,956.

4. Defendant has withdrawn its Second and Fourth Counterclaims of its Second Amended Answer and Counterclaims.

5. Neither party claims monetary damages or attorneys' fees. The only relief sought is plaintiff's request for injunction against defendant's use of "Park and Fly" or any other mark confusingly similar to "Park 'N Fly."

6. The case will be tried before the Court without a jury. Defendant has withdrawn its request for a jury.

Statement Of Jurisdiction

1. This court has jurisdiction pursuant to 15 U.S.C. Section 1121 and 28 U.S.C. Section 1338.
2. Venue is proper pursuant to 28 U.S.C. Section 1391(c) in that defendant is doing business in this judicial district.

II.

Agreed Facts

The following facts have been agreed upon by the parties and require no proof.

1. Plaintiff, Park 'N Fly, Inc. is a Missouri corporation having its principal place of business in St. Louis, Missouri, and is engaged in the business of managing automobile parking lots near airports (off-site airport parking facilities).
2. Defendant, Dollar Park and Fly, Inc. is an Oregon corporation having its principal place of business in Portland, Oregon, and is engaged in a business similar to plaintiff's.
3. Plaintiff owns subsidiaries in St. Louis, Houston, Memphis, Cleveland, Boston, Atlanta and San Francisco, each of which has the name "Park 'N Fly" in its company name, followed by the City or State of its location. (For example, the San Francisco company is "Park 'N Fly of San Francisco," the Houston company is "Park 'N Fly of Houston," etc.).
4. Each of plaintiff's subsidiaries is in the business of renting automobile parking spaces at parking facilities located near the major airports in their respective cities. In addition to renting parking spaces, plaintiff and its companies provide transportation for their customers from their parking lots to the airports and from the airports back to the parking facilities.
5. Plaintiff has never operated off-site airport parking facilities in either Washington or Oregon.

6. Plaintiff's application for its Registration No. 919,591 (Exhibit I hereto) was filed with the United States Patent and Trademark Office on August 13, 1969. The registration was issued by the Patent and Trademark Office on August 31, 1971.

7. Pursuant to the provisions of Section 15 of the Lanham Act, 15 U.S.C. 1065, plaintiff, Park 'N Fly, Inc. filed an affidavit with the U.S. Patent and Trademark Office to establish incontestability. The affidavit, dated March 15, 1977, was received by the Patent and Trademark Office on April 4, 1977, and filed by the Office on May 25, 1977.

8. Plaintiff's application for its Registration No. 1,111,956 was filed in the United States Patent and Trademark Office on December 23, 1977. The registration was issued by the Patent and Trademark Office on January 23, 1979, Exhibit II hereto.

9. The following is a list identifying third parties who have used the words "park" and "fly" in close association and the approximate year that plaintiff learned of each such use:

- a. 1970, Park and Fly, Thrifty Rent-A-Car, Indianapolis, Indiana.
- b. 1972, Dollar Park and Fly, Dollar-A-Day Rent-A-Car, Los Angeles, California.
- c. 1974, Park 'n Fly, Kerry Pacifico Ford, Philadelphia, Pennsylvania.
- d. 1975, Park and Fly, Airways Rent-A-Car, Los Angeles, California.
- e. 1977, Park and Fly, Chet Romano, Budget Rent-A-Car, Newark, New Jersey.
- f. 1977, Park 'n Fly, Alleghany Motor Inn, Pittsburg, Pennsylvania.
- g. 1977, Park and Fly, Inc., Joseph Costanza, Atlanta, Georgia.

h. 1977, Park, Lock & Fly, American international Rent-A-Car, Denver, Colorado.

i. 1977, Park 'N Fly, Aviation Transportation Services, Brooklyn, New York.

j. 1978, Park 'N Fly, George Macom, Portland, Oregon.

k. 1978, Park & Fly, M. Labell, Boston, Massachusetts.

In each of the foregoing instances, plaintiff contacted the user of what plaintiff claimed to be an infringing service mark. In those cases where the user did not voluntarily cease use of the mark, plaintiff brought suit.

All of the conflicts between plaintiff and the above third party users resulted in the third parties ceasing use of the mark.

With respect to Mr. Labell, the third party user in paragraph "k" above, the matter was litigated in the case of *Park 'N Fly, Inc. v. Park & Fly, Inc.*, Civil Action No. 79-596-S, in the United States District Court for the District of Massachusetts, in Boston. In that case, plaintiff was preparing to open a parking facility in Boston and obtained a preliminary injunction restraining defendant from using "Park & Fly" or any other infringing mark. The Court's decision on the preliminary injunction is reported at 204 United States Patents Quarterly, 204 (1979). Defendant changed its name to "Park, Shuttle & Fly."

10. Defendant is in the business of renting automobiles and operating parking lots in Portland, Oregon and Seattle, Washington.

11. Defendant began operation of an off-site airport parking facility near SeaTac Airport in Washington in 1967, and near the Portland airport in 1973.

12. Defendant uses the words "park and fly," "park & fly," and variations thereof (e.g., the words "Park" and "Fly" with silhouette of an airplane between the two words) on signs on

and near its facilities, in its advertising, on its stationery, on its receipts, on its tickets and on its employees' business cards. A sample of defendant's use on a customer claim check is attached as Exhibit III.

13. Defendant is a franchisee of Dollar Rent-A-Car, headquartered in Los Angeles, California.

III.

Facts Not To Be Contested

There are no facts, other than the "Agreed Facts" set forth in Section II above, that will not be controverted at the trial by evidence.

IV.

Plaintiff's Contentions

1. Plaintiff and its affiliated companies have the exclusive right to use the mark "PARK 'N FLY" throughout the United States, to identify its off-site airport parking services and to distinguish its services from those of others.

2. The exclusive rights of plaintiff and its affiliated companies to use the "PARK 'N FLY" mark stems from plaintiff's continuous use of the mark since 1967, plaintiff's federal registration of the mark, and plaintiff's compliance with all of the applicable sections of the Federal Trademark Act, including 15 U.S.C. Sections 1065 and 1115(b).

3 Plaintiff's "PARK 'N FLY" mark is incontestable within the meaning of 15 U.S.C. §1065 and 1115(b); defendant may not challenge the validity of plaintiff's registration on the ground of "descriptiveness."

4. Defendant's use of the indicia "Park and Fly", "Park & Fly," and the words "Park" and "Fly" in close proximity (e.g., with only an airplane depicted between the two words), each constitutes infringement of plaintiff's mark.

5. Plaintiff's "PARK 'N FLY" mark is suggestive of the desirability of the services offered by plaintiff and its affiliated companies. The mark is *not* descriptive.

V.

Defendant's Contentions

1. The words "park and fly," "park, fly," "park-fly," and other combinations of these and other descriptive words have been used for a number of years by defendant and others to describe off-site airport parking facilities where airline passengers can park their cars while they are flying. Defendant commenced such a business in 1967 in Seattle and in 1973 in Portland. Defendant first started using the words "park and fly" in connection with the Seattle business in 1969 and the Portland business in 1973, and there have been no instances of actual confusion between plaintiff's and defendant's parking facilities.

2. Defendant adopted the words "park, fly" in connection with its business in good faith and without knowledge of plaintiff's prior use of those words. Defendant has continuously used those words in connection with its business prior to publication of plaintiff's mark under 15 USC §1062(c).

3. The words "park and fly" as used in connection with an off-site airport parking facility are merely descriptive of the services offered, i.e. park your car and fly from the airport, which expression is incapable of achieving trademark and/or service mark significance such as to deny use of those words to others engaged in the same or similar type of business. Since at least 1973 defendants and others in various parts of the United States have been using the words "park and fly" and similar words to describe their off-site airport parking facilities.

4. Plaintiff, at the time that it filed the application which resulted in Registration No. 919,591 as well as at the time that it

filed an affidavit of incontestability under 15 USC §1065 knew or should have known that others were then using and had previously used the words "park and fly" alone or in combination with other words or phrases to describe off-site airport parking facilities.

5. Plaintiff is also the owner of Registration No. 1,111,956 which is simply for the words "PARK 'N FLY" without any design or logo, which registration is not incontestable.

6. Even if plaintiff's Registration No. 919,591 is incontestable, such incontestability extends only to the complete registered mark which is a composite of the words "PARK AND FLY" plus a distinctive circular design of an airplane flying over an airport runway. Defendant has not infringed that composite trademark because defendant has only used the words "park and fly," "park & fly," "park-fly" and has never used any design like plaintiff's.

7. Plaintiff itself has recognized the difference between its allegedly incontestable mark Registration No. 919,591 for "Park 'n Fly and Design" and plaintiff's Registration No. 1,111,956 for the words "Park 'n Fly" alone with no design by filing for and obtaining Registration No. 1,111,956 after having first obtained Registration No. 919,591.

8. Plaintiff's Registration No. 1,111,956 is contestable and should be invalidated by this court because it is made up solely of the words "Park 'N Fly" which words are descriptive of the services rendered by plaintiff and others.

9. This court should order the Patent and Trademark Office to cancel Registrations Nos. 919,591 and 1,111,956.

VI.

Issues Of Fact

1. Are the words "Park 'N Fly" and variations thereof descriptive of an off-site airport parking facility?

2. If service mark Registration No. 919,591 is valid, has defendant infringed it?

3. If service mark Registration No. 1,111,956 is valid, has defendant infringed it?

VII.

Issues Of Law

1. Is service mark Registration No. 919,591 incontestable?

2. If service mark Registration No. 919,591 is incontestable, is incontestability limited to the entire mark as shown on the registration or does it extend to the words "Park 'N Fly" standing alone?

3. Is service mark Registration No. 919,591 valid?

4. Is plaintiff's service mark Registration No. 1,111,956 incontestable?

5. Is service mark Registration No. 1,111,956 valid?

6. Should either or both of Registrations Nos. 919,591 and 1,111,956 be ordered cancelled?

VIII.

Exhibits

Plaintiff's Exhibits

1. Park 'N Fly Registration No. 919,591, issued August 31, 1971, by the United States Patent and Trademark Office.

2. Park 'N Fly Registration No. 754, issued May 12, 1970, by the California Secretary of State.

3. Park 'N Fly Registration from Missouri Secretary of State, issued March 6, 1968.

4. Communications in the file of U.S. Patent Office Registration No. 919,591.

5. Photograph of Park 'N Fly bus.

6. Park 'N Fly stationery.

7. Park 'N Fly ticket.

8. Park 'N Fly complimentary coupon.

9. Park 'N Fly flyer for luggage tag.

10. Park 'N Fly customer comment form.

11. Park 'N Fly envelope.

12. Park 'N Fly coupon.

13. Park 'N Fly advertising brochure.

14. Park 'N Fly cartoons.

15. Pictures of signs of plaintiff's St. Louis facility. Defendant reserves the right to object until it sees these pictures.

16. Photograph of defendant's sign, Exhibit 1 to Deposition of James T. Caman, taken July 17, 1980.

17. Exhibit 2 to deposition of James T. Caman, taken July 17, 1980.

18. Exhibit 3 to deposition of James T. Caman, taken July 17, 1980.

19. Exhibit 4 to deposition of James T. Caman, taken July 17, 1980.

20. Exhibit 5 to deposition of James T. Caman, taken July 17, 1980.

21. Exhibit 6 to deposition of James T. Caman, taken July 17, 1980.

22. Exhibit 7 to deposition of James T. Casan, taken July 17, 1980.
23. Exhibit 8 to deposition of James T. Casan, taken July 17, 1980.
24. Exhibit 9 to deposition of James T. Casan, taken July 17, 1980.
25. Exhibit 10 to deposition of James T. Casan, taken July 17, 1980.
26. Exhibit 11 to deposition of James T. Casan, taken July 17, 1980.
27. Exhibit 12 to deposition of James T. Casan, taken July 17, 1980.
28. Exhibit 13 to deposition of James T. Casan, taken July 17, 1980.
29. Exhibit 14 to deposition of James T. Casan, taken July 17, 1980.
30. Exhibit 15 to deposition of James T. Casan, taken July 17, 1980.
31. Exhibit 16 to deposition of James T. Casan, taken July 17, 1980.
32. Exhibit 17 to deposition of James T. Casan, taken July 17, 1980.
33. Exhibit 18 to deposition of James T. Casan, taken July 17, 1980.
34. Exhibit 19 to deposition of James T. Casan, taken July 17, 1980.
35. Exhibit 20 to deposition of James T. Casan, taken July 17, 1980.

36. Exhibit 21 to deposition of James T. Casan, taken July 17, 1980.
37. Exhibit 22 to deposition of James T. Casan, taken July 17, 1980.
38. Exhibit 23 to deposition of James T. Casan, taken July 17, 1980.
39. Exhibit 24 to deposition of James T. Casan, taken July 17, 1980.
40. Exhibit 25 to deposition of James T. Casan, taken July 17, 1980.
41. Exhibit 26 to deposition of James T. Casan, taken July 17, 1980.
42. Exhibit 30 to deposition of James T. Casan, taken July 17, 1980.
43. Exhibit 35 to deposition of James T. Casan, taken July 17, 1980.
44. Exhibit 36 to deposition of James T. Casan, taken July 17, 1980.
45. Exhibit 37 to deposition of James T. Casan, taken July 17, 1980.
46. Exhibit 38 to deposition of James T. Casan, taken July 17, 1980.
47. Exhibit 39 to deposition of James T. Casan, taken July 17, 1980.
48. Exhibit 40 to deposition of James T. Casan, taken July 17, 1980.

DEFENDANT'S EXHIBITS

99. Copy of file history of Service Mark Registration No. 919,591.

100. Copy of file history of Service Mark Registration No. 1,111,956.

101. Bloom letter to Dollar Rent-A-Car, Portland, February 18, 1977 (Ex. 40 Casan deposition).

102. Two pages from recent Seattle classified telephone directory (Ex. 38 Casan deposition).

103. Park and Lock customer coupon (Ex. 41 Casan deposition).

104. Deposition of Kerry Pacifico, Sr., June 9, 1980.

105. Deposition of Jean Barrier, June 9, 1980.

106. Deposition of Max Ginsburg, June 20, 1980.

107. PARK 'N SHOP, Registration No. 771,620.

108. PARK 'N SELL, Registration No. 1,071,129.

109. PARK & SHOP, Registration No. 1,038,952.

IX.

The following exhibits were produced and marked and will be offered subject only to the objections noted.

X.

DEPOSITIONS

Plaintiff will introduce the deposition and exhibits of James T. Casan, taken July 17, 1980.

Defendant will offer in evidence the following depositions:

1. Kerry Pacifico, Sr., June 9, 1980.

2. Jean Barrier, June 9, 1980.

3. Max Ginsburg, June 20, 1980.

XI.

ACTION BY THE COURT

The court has ruled that:

XII.

WITNESSES

1. Either Martin J. Bloom (Chairman of the Board of plaintiff) or Theodore Desloge, Jr. (President of plaintiff), will be called to testify on behalf of plaintiff. The address of both of these gentlemen is 111 West Port Plaza, Suite 901, The Plaza Tower, St. Louis, Missouri 63141.

2. James T. Casan, President of defendant, will be called by plaintiff as an adverse witness as well as by defendant.

3. William Winton, San Francisco, California.

XIII.

Neither party will be permitted to call an expert witness.

This pretrial order was approved by the parties. The pleadings pass out of the case and are superseded by this Order, which shall not be amended except by order of the court to prevent manifest injustice or pursuant to agreement of the parties.

Dated this 31st day of August, 1981.
munc pro tunc date of trial

/s/ Helen Frye
United States District Court Judge

Approved:

/s/ Paul L. Gardner
Attorney for Plaintiff

Date: 2-24-81

J. Pierre Kolisch
Attorney for Defendant

Date: 2/26/81

EXHIBIT I

UNITED STATES PATENT OFFICE

919,591
Registered Aug. 31, 1971

CANC. No. 10,182
Filed By DOLLAR-A-DAY
RENT-A-CAR SYSTEMS, INC.

PRINCIPAL REGISTER

Service Mark

Ser. No. 335,231, filed Aug. 13, 1969

PARK 'N FLY

Park 'N Fly, Inc. (Missouri corporation)
10679 Midwest Industrial Blvd.
St. Louis, Mo. 63132

For: Vehicular Parking Adjacent Airports and Transporting Vehicular Occupants, Including Luggage, To And From Airports, in Class 105 (INT. CL. 39).

First use Sept. 26, 1967;
in commerce Sept. 26, 1967.

EXHIBIT II

Int. CL.: 39
Prior U.S. CL.: 105

UNITED STATES PATENT AND TRADEMARK OFFICE

Reg. No. 1,111,956
Registered Jan. 23, 1979

SERVICE MARK
Principal Register

PARK 'N FLY

Park 'N Fly, Inc. (Missouri corporation)
111 W. Port Plaza, The Plaza Tower, Suite 901
St. Louis, Mo. 63141

For: Vehicular Parking Adjacent Airports and Transporting Vehicular Occupants, Including Luggage to and from Airports, in Class 39 (U.S. CL. 105).

First use Sept. 26, 1976;
in commerce Sept. 26, 1976.
Owner of Reg. No. 919,591.

Ser. No. 153,231, filed Dec. 23, 1977.

MARC BERGMAN, Examiner

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF OREGON

(Title omitted in printing)

**REQUEST FOR LEAVE OF COURT FOR DEFENDANT
TO AMEND PRETRIAL ORDER TO INCLUDE
ADDITIONAL EXHIBIT**

(Filed Sept. 18, 1981)

This is a request by defendant for leave of court to amend the pretrial order to include a new exhibit showing use of the words "Park-Fly" prior to registration of plaintiff's Registration No. 919,591. The exhibit is a photograph showing a sign mounted on the office of defendant's off-site airport parking lot first used in 1970 and continuously to the present date. The photograph supports defendant's claim that the words "Park-Fly" have been used continuously from a date prior to the registration date of August 31, 1971, of plaintiff's Registration No. 919,591.

Section 1337(b) of the Lanham Act sets forth defenses which, if established, limit a registrant's exclusive right to use a mark subject of an incontestable registration. One of these defenses is set forth in paragraph (7) of Section 1337(b) which states that a registration shall be conclusive evidence of a registrant's exclusive right to use the registered mark in commerce except when it is shown:

"(7) That the mark whose use by a party is charged as an infringement was adopted without knowledge of the registrant's prior use and has been continuously used by such party or those in privity with him from a date prior to registration of the mark under this Act or publication of the registered mark under subsection (4) of section 12 of this Act: Provided, however, That this defense or defect shall apply only for the area in which such continuous prior use is proved...."

The above defense was set forth in essence under paragraph 2 of defendant's contentions in the pretrial order. Previously, defendant's president, James Cassan stated during his deposition that the words "park" and "fly" were used in connection with defendant's off-site airport parking lot at the Sea-Tac Airport sometime in 1970. However, Mr. Cassan simply forgot that a sign, using the words "Park-Fly" had been mounted in defendant's parking lot office near the Sea-Tac Airport from 1970 to the present date. Mr. Cassan realized his oversight on or about September 17, 1981, and telephoned his trial counsel.

Mr. Cassan will try to bring the sign itself to the hearing and offer it in evidence. The court is requested to permit either this sign or a photograph of it to be introduced into evidence. There is no surprise to plaintiff because defendant indicated in the pretrial order as well as during the depositions of Mr. Cassan, that the expression "Park-Fly" had been used by Mr. Cassan in Seattle prior to the registration date of August 31, 1971, of Registration No. 919,591. Plaintiff's trial counsel was advised by telephone on September 18, 1981 of the present motion and copy of the photograph is being given to plaintiff's local counsel with this motion. The new exhibit merely corroborates Mr. Cassan's deposition testimony, and is attached hereto for marking by the Clerk.

For the reasons set forth above, it is respectfully requested that the court grant leave for defendant to file the photograph as an additional exhibit.

Respectfully submitted,

J. Pierre Kolisch
of Attorneys for Defendant

Case No. Civ. 78-531 FR

Date Oct. 1, 1981

Title Park n Fly v. Dollar Park & Fly, Inc.,

DOCKET ENTRY

ORDER directing dft's attorney Kolish to remove Exhibit #110 from the possession of the clerk not later than 10/09/81. Dft's attorney may submit a photograph of the exhibit. Dft's attorney is directed to retain custody of exhibit #110 during the pendency of the appeal, if any.

PRESENT:

HON. HELEN J. FRYE, JUDGE

Don Cinnamond

Deputy Clerk

Attorneys for Plaintiffs:

Attorneys for Defendants:

PROCEEDINGS:

Picture on document #44 - Amend P.T.O.

Returned Sign 10/9/81 MJ Sherris - Deputy Clerk

Rec. by

cc: counsel

PORTIONS OF TRIAL TRANSCRIPT

[5]...Q. And did you see any other off-site airport parking lots prior to September of '67 when you opened your first one in St. Louis?

A. No, sir, that was the only one we saw, and to our knowledge, at the time was the only one in existence. We subsequently found out that they were predated by one other lot.

Q. And what lot was that?

A. That was one operated in Seattle by another lawyer, this time by the name of Diamond, also another Budget franchisee, and he had no name on the lot. He had a huge sign that said Budget, and then another sign that identified the fact that there was airport parking available. And we first saw that facility in '68, but I understand that it was in existence prior to '67.

Q. Was there anything on the premises of that Diamond lot that said Park and Fly or anything similar to that?

A. No, sir.

Q. Would you please relate the circumstances of the selection of the mark Park 'N Fly for your business?

A. We were under construction without a name and my associate and I were brainstorming trying to figure out a name for [6] our new business. And I was on my way to the parking lot one day to oversee the construction. I also acted as the general contractor for it. And I was playing with various word—with various word combinations in my mind, knowing full well that we needed a name soon. And I passed a restaurant called Steak 'N Shake. And as I was playing with these various word combinations, Park 'N Fly came to me, and that very day I called Ted Desloge, sug-

gested Park 'N Fly as a good name, and we agreed that it was a good name and picked it.

MR. GARDNER: May I have the exhibits passed to the witness, please?

THE CLERK: All of them?

MR. GARDNER: Yes, please.

(Exhibits handed to witness.)

MR. GARDNER: Your Honor, I have some extra copies of the exhibits which, if you have no objection, I'd like to pass up to the Court as Mr. Bloom testifies about them.

THE COURT: Yes, that would be helpful.

MR. GARDNER: Would it be all right if I approach the Bench on each occasion?

THE COURT: Yes. Or you can just hand them to my Clerk and she can hand them up to me.

MR. GARDNER: All right.

[7] Q. (By Mr. Gardner) Did there come a time, Mr. Bloom, when you inquired about the propriety of using the name, the mark Park 'N Fly, of your lawyers?

A. Well, the first thing that we did was to call our general counsel and ask him to form a corporation called Park 'N Fly, Inc. And he advised us that since this was a coined name, it was not similar to the name of my other company, which was my name, Martin Bloom Associates, Inc., that this was beyond his field of expertise and that instead of simply calling the Secretary of State of the State of Missouri to see if the corporate name was available, that we should retain patent and trademark counsel to find out whether the name was a suitable one that was selected by

us. He then recommended to us trademark counsel, a gentleman by the name of Kalish, Ralph Kalish.

Q. Did you in fact pursue trademark registration with Mr. Kalish?

A. Right, that we did. The first thing Mr. Kalish did was to obtain a search of the name, and we found, or rather he found, and I believe that there was a copy of that in our file, that there were no other users of the name at the time. And this was sometime in the summer of 1967.

Q. 196- —

A. 7.

Q. And did you file for registration anywhere at that time?

[8] A. Upon his advice we filed in the State of Missouri at that time. He advised us that we should not file for registration until we were actually using the name. So even though in the summer of '67, the name was clean, all we did was to name the company Park 'N Fly. And upon Mr. Kalish's advice and insistence, the actual filing for the name was delayed until shortly after we opened up in September of '67.

So I believe that the application was the first month we were open in October. At which time we had tickets, signs, et cetera, to show them.

Q. I'd like to invite your attention to Exhibit J, and ask you to please identify that exhibit.

A. Yes, sir. This—I may have the wrong one here. Okay, I have three. That is the Missouri mark. And I have the original of this same exhibit with me.

Q. And that was obtained in 1968?

A. The date on here is March 6th of 1968.

MR. GARDNER: Mr. Kolisch, may we have a stipulation? Mr. Bloom does have the original documents of the U. S. Patent and Trade Office and the State, but he'd rather keep them and put copies in. Is that all right?

MR. KOLISCH: That's certainly all right.

Q. (By Mr. Gardner) Did your business prosper in St. Louis in 1968?

[P] A. Very much so.

Q. And did you expand?

A. In the spring of 1968, both Mr. Desloge and myself started traveling around the country seeking other sites to do the same thing. And we visited all 22 of the major hubs as defined by the FAA before the end of 1968.

Started signing deals for expansion during 1968, and by March of 1970, we had opened up five other facilities.

Q. What was the first facility that you opened outside of St. Louis?

A. That was Cleveland in July of '69.

Q. And did you take any steps with regard to federal registration at that time?

A. Right after we opened up Cleveland, again, on the advice of Mr. Kalish that we had to actually be using the mark in more than one state, the application was made for the federal registration.

Q. Mr. Bloom, I'd like to invite your attention to Exhibit 4, which is a copy of the file history, that is, the copy of the documents that were—

I didn't mark on there, ma'am, perhaps I should, Exhibit 4.

This is a copy of the papers that were exchanged between Mr. Kalish and the trademark examiner in the U. S. Patent and Trade Office. And ask you if that is [100] a copy of or includes a copy of the application filed on your behalf by Mr. Kalish?

A. That it does, sir.

Q. On the front page it indicates in the Patent Office column, which says, File Completed August 13th, 1969. Does that concur with the date which you believed it was filed with the Patent Office?

A. Right, that it does, sir, because I recall having done it right after the opening, which was in early July of '69.

Q. And inviting your attention to about the sixth page, it's called paper number 2, dated in the upper right-hand corner July 30, 1970. Do you find that page? It has the U.S. Department of Commerce heading up in the upper right-hand corner.

A. Yes, sir, I do.

Q. And it says a mailing date of July 30, 1970?

A. Yes, I see that.

Q. It's only a two sentence action by the Trademark Examiner. Would you please read the first sentence into the record?

A. It says "Upon examination, registration is refused because as applied to Applicant's services, the mark PARK 'N FLY is considered to be merely descriptive within the prescription of Section 2(e)(1) of the Trademark Act of 1946."

* * * * *

[33] THE CLERK: This Court is now in session.

Q. (By Mr. Koliach) When you came up with the expression "Park 'N Fly," didn't you believe that you had a short, catchy way of getting across to your customers what your business was about?

A. No, sir.

Q. What did you think you had?

A. We thought that we had a short, catchy name that suggested what our business was about.

Q. And what did you intend by the use of the word "Park"?

A. We were using the word "Park" just as anyone might use the word "Park," and had we used the word "Park" all by itself, we wouldn't have used that for the name of the company. "Park" means to park a car.

Q. Particularly in connection with your business, it could mean a place where you take your children and there are nice trees and et cetera, but in connection with which you were using it, it was clearly to park a car. And am I correct in saying that the location of your parking lots were either adjacent or near an airport?

A. They were near, yes, sir.

Q. And when you used the word "Fly," what did you intend to convey by that?

A. We used the "Fly," or the word "Fly" as part of the name and, again, it was strictly what we considered to be [34] suggestive. We never opened up any of our parking lots without also using the words "Airport Parking" on our signs, because when people would see the words "Park 'N Fly," they had no idea what we were doing.

Q. And when you placed that logo on the airplane over a runway, what did you intend to convey by that?

A. I don't know what the intention was of the designer that we had hired for the logo. We have always treated any mark that we have had for any business that we are in with something that we would hope that people would remember and use as part of the image of our business. And when we picked the name "Park 'N Fly," we then subsequently went to an industrial designer and said here, here's the business we're going into, design us a logo, and he did.

Q. And didn't you discuss with him what you wanted to convey by that message?

A. We told him what business we were in. We didn't tell him what to convey.

Q. What business did you tell him you were in?

A. The airport parking business.

Q. Did you tell him that you had parking lots near or adjacent to airports?

A. A parking lot. At that time we didn't know we would have more than one. That it was close to an airport. That we would use shuttle vehicles. And we wanted the logo to [35] identify the vehicle. As a matter of fact, part of the original design was a silver vehicle so that it would look like an airplane.

Q. Did you ever consider using the word "shuttle" with the expression, "Park, shuttle and fly"?

A. No, sir.

Q. And is it your testimony that you used the word "Fly" in your service mark and it was your contention to convey the

idea that you were moving customers swiftly from the parking lot to the airport?

A. Yes, sir, that was part of our thought.

Q. What else was your thought?

A. We wanted a name that we felt would be distinctive, catchy, easy to remember, and at the same time suggestive of our service.

Q. And the service was, you were swiftly or flying people from the parking lot to the airport?

A. That is correct.

Q. You've had your San Francisco operation since 1971, is that correct?

A. 1970, sir.

Q. 1970?

A. Yes, sir.

Q. And are you in Los Angeles?

A. No, sir.

U. S. DEPARTMENT OF COMMERCE
PATENT OFFICE

Address Only: COMMISSIONER OF PATENTS
Washington, D.C. 20231

Ralph W. Kalish
721 Olive St.
St. Louis, Mo. 63101

Serial No. 335251

Mailed July 30, 1970

Mark PARK 'N FLY AND DESIGN

Applicant Park 'N Fly, Inc.

Upon examination, registration is refused because as applied to applicant's services, the mark PARK 'N FLY is considered to be merely descriptive within the prescription of section 2(e)(1) of the Trademark Act of 1946.

A search of the Office records fails to show that the mark, when applied to applicant's services, is confusingly similar to any registered mark.

WAC:cmj

(357-3277)

Examiner, Div. IV

IN THE UNITED STATES PATENT OFFICE
TRADEMARK DIVISION IV

Application of

Park 'N Fly, Inc.

Serial No. 335,251

September 22, 1970

Filed: August 13, 1969

TM: PARK 'N FLY & DESIGN

AMENDMENT A

Responsive to the official communication of July 30, 1970, applicant respectfully requests Examiner to reconsider his refusal to register the term PARK 'N FLY in view of the following remarks.

The services identified by applicant's mark PARK 'N FLY are rendered in connection with vehicular parking adjacent airports and transporting the errand vehicle occupants, including luggage, to and from the airports. Although PARK 'N FLY may be remotely suggestive of applicant's services, the mark has no exact meaning and, as such, does not immediately convey or inform purchasers as to the exact nature, character, function, or quality of applicant's services. PARK 'N FLY is truly a novel, quite arbitrary, coined expression and cannot be considered as merely descriptive of applicant's services. See *In re John H. Brock, Inc.* (PO TM TAPP BD - 1966) 150 USPQ 597. The term PARK 'N FLY is a designation, which rather than positively identifying services to which it is applied, stimulates and requires some thought as to its intended meaning. Therefore, it is not incapable of identifying applicant's services and distinguishing them from the services of others. *In re Dairy Mfg. Co.* (PO TM TAPP BD - 1962) 131 USPQ 213.

The Assistant Commissioner in *Ex Parte Colton, Mendenhall & Co.* (COM PAT - 1912) 98 USPQ 415, 416, in reversing a decision refusing registration of the term TECHNICAL TREND as a service mark for investment advisory services, stated the policy of determining the question of descriptiveness as follows:

"In determining the question of whether or not a given mark is merely descriptive, one is not required to go through mental gymnastics. Marks should not be denied registration simply because they are dictionary definitions of the word, which after remote and roundabout reasoning, might possibly be deemed to be descriptive of the involved goods or services. The statute provides for refusal only when the mark is merely descriptive as applied to applicant's goods or services." (Emphasis ours)

Other cases which may be brought to Examiner's attention in this connection are heretobelow set forth:

Ex Parte Fuller Label & Box Co. (COM PAT - 1945) 67 USPQ 296 wherein the term CHUTE-A-PAK was found not to be merely descriptive of a container with a parachute attached.

The term STRIP-FLAP as used on an opening device for paper or paperboard cartons and containers was found not to be descriptive, although the opening device contained strips and flaps. *In re Walldorf Paper Products Co.* (PO TM TAPP BD - 1967) 155 USPQ 174. The Board noted that the mere fact that a combination mark was made up of descriptive words did not *per se* create a mark which was merely descriptive when applied to applicant's goods.

Another pertinent case is *Ex Parte Great West Lubricants Inc.* (COM PAT - 1956) 118 USPQ 169 wherein TUBE-O-LUBE as used on a cartridge of lubricating grease was held to be highly suggestive but not merely descriptive.

The expression NO BONES ABOUT IT as used on pre-cooked boneless hams was held by the Board not to be descriptive and therefore, registrable. *In re National Tme Co.* (PO TM TAPP BD - 1963) 144 USPQ 286.

Another suggestive phrase was involved in *Ex Parte Chab Aluminum Products Co.* (COM PAT - 1933) 105 USPQ 44, namely, COOK-N-LOOK, as used on transparent glass covers

for cooking utensils. The said term, COOK-N-LOOK was held out to be merely descriptive when applied to the goods. Certainly, if COOK-N-LOOK is not descriptive of transparent glass covers for cooking pots, PARK 'N FLY is not descriptive for parking and transporting service to and from airports.

It is submitted that Examiner will find the precedents referred to hereinabove to be immediately related to the instant case and worthy of consideration. Accordingly, applicant respectfully submits that the mark PARK 'N FLY is not merely descriptive of vehicular parking and transporting service to and from airports, and is, therefore, registrable upon the principal register. Applicant respectfully requests Examiner to reconsider his refusal to register the term PARK 'N FLY and pass same to publication under the 1946 Trademark Act.

Respectfully submitted,

/s/ Ralph W. Kalish
Attorney for Applicant
721 Olive Street
St. Louis, Missouri 63101
(314) 436-1331

U. S. DEPARTMENT OF COMMERCE
PATENT OFFICE

Address Only: COMMISSIONER OF PATENTS
Washington, D.C. 20231

RALPH W. KALISH
721 Olive St.
St. Louis, Mo. 63101

NOTICE OF PUBLICATION
UNDER SECTION 12(a)

Serial No. 335,251
Publication Date June 15, 1971
Mailed May 24, 1971
Applicant Park 'N Fly, Inc.
Mark PARK 'N FLY AND DESIGN

The mark of the application above identified appears to be entitled to registration. The mark will in accordance with Section 12(a) of the Trademark Act of 1946, be published in the Official Gazette on the date indicated above for the purpose of opposition by any person who believes he will be damaged by the registration of the mark. If no opposition is filed within the time specified by Section 13 of the Statute or by Rules 2.101 and 2.102 of the Trademark Rules, the Commissioner of Patents may issue a Certificate of Registration.

Copies of the Trademark portion of the Official Gazette containing the publication of the mark may be obtained at 40 cents each from the Superintendent of Documents, Government Printing Office.

By direction of the Commissioner.

REGISTRATION

No. 919591

THE UNITED STATES OF AMERICA

This is to certify that from the records of the Patent Office it appears that an application was filed in said Office for registration of the Mark shown herein, a copy of said Mark and pertinent data from the Application being annexed hereto and made a part hereof,

And there having been due compliance with the requirements of the law and with the regulations prescribed by the Commissioner of Patents,

Upon examination, it appeared that the applicant was entitled to have said Mark registered under the Trademark Act of 1946, and the said Mark has been duly registered this day in the Patent Office on the

PRINCIPAL REGISTER

to the registrant named herein.

This registration shall remain in force for Twenty Years unless sooner terminated as provided by law.

In Testimony Whereof I have hereunto set my hand and caused the seal of the Patent Office to be affixed this thirty-first day of August, 1971.

Acting Commissioner of Patents

NOTICE

This Registration will be canceled by the Commissioner of Patents at the end of six years following the date of registration, unless within one year next preceding the expiration of such six years, the registrant file in the Patent Office an affidavit showing that said mark is still in use or showing that its nonuse is due to special circumstances which excuse such nonuse and is not due to any intention to abandon the mark. A fee of \$10.00 for each class must accompany the affidavit.

UNITED STATES PATENT OFFICE

919,591

Registered Aug. 31, 1971

PRINCIPAL REGISTER

Service Mark

Ser. No. 335,251, filed Aug. 13, 1969

PARK 'N FLY

Park 'N Fly, Inc. (Missouri corporation)
10679 Midwest Industrial Blvd.
St. Louis, Missouri 63132

For: VEHICULAR PARKING ADJACENT AIR-
PORTS AND TRANSPORTING VEHICULAR OC-
CUPANTS, INCLUDING LUGGAGE, TO AND FROM
AIRPORTS, in CLASS 105 (INT. CL. 39).
First use Sept. 26, 1967; in commerce Sept. 26, 1967.

REGISTRATION

No. 1111956

**THE UNITED STATES OF AMERICA
CERTIFICATE OF REGISTRATION**

This is to certify that the records of the Patent and Trademark Office show that an application was filed in said Office for registration of the Mark shown herein, a copy of said Mark and pertinent data from the Application being annexed hereto and made a part hereof,

And there having been due compliance with the requirements of the law and with the regulations prescribed by the Commissioner of Patents and Trademarks,

Upon examination, it appeared that the applicant was entitled to have said Mark registered under the Trademark Act of 1946, and the said Mark has been duly registered this day in the Patent and Trademark Office on the

PRINCIPAL REGISTER

to the registrant named herein.

This registration shall remain in force for Twenty Years unless sooner terminated as provided by law.

In Testimony Whereof I have
hereto set my hand and caused
the seal of the Patent and
Trademark Office to be affixed
this twenty-third day of January,
1979.

Commissioner Of Patents and
Trademarks

Certificate of Correction

Reg. Jan. 23, 1979

Registration No. 1,111,956.

Park 'N Fly, Inc.

It is hereby certified that the above identified registration is in error requiring correction as follows:

In the statement, column 1, line 1, "Park'n Fly, Inc." should be deleted and *Park 'N Fly, Inc.* should be inserted, and column 2, line 3, "luggage" should be deleted and *luggage*, should be inserted, line 5, "Sept. 26, 1976 (both occurrences) should be deleted and *Sept. 26, 1967* should be inserted and line 6, "Nco." should be deleted and *Nco.* should be inserted.

The said registration should read as corrected above.

Signed and sealed this 11th day of December, 1979

/s/ Sidney A. Diamond,
Commissioner.

NOTICE

This Registration will be cancelled by the Commissioner of Patents and Trademarks at the end of six years following the date of registration, unless written one year next preceding the expiration of each six years, the registrant files in the Patent and Trademark Office an affidavit showing that said mark is still in use or showing that its nonuse is due to special circumstances which excuse such nonuse and is not due to any intention to abandon the mark. A fee of \$10.00 for each class must accompany the affidavit.

Int. Cl. 39

Prior U.S. Cl. 105

UNITED STATES PATENT AND TRADEMARK OFFICE

Reg. No. 1,111,956
Registered Jan. 23, 1979

SERVICE MARK

Principal Register

PARK 'N FLY

Park 'n Fly, Inc. (Missouri Corporation)
111 W. Port Plaza, The Plaza Tower, Suite 901
St. Louis, Mo. 63141

For: VEHICULAR PARKING ADJACENT AIR-
PORTS AND TRANSPORTING VEHICULAR OCCU-
PANTS, INCLUDING LUGGAGE TO AND FROM
AIRPORTS, in CLASS 39 (U.S. CL. 105).

First use Sept. 26, 1976; in commerce Sept. 26, 1976.
Owner of Reg. Nos. 919,591.

Ser. No. 153,231, filed Dec. 23, 1977.

MARC BERGMAN, Examiner

IN THE UNITED STATES PATENT
AND TRADEMARK OFFICE

AFFIDAVIT UNDER SECTION 15

Mark: PARK 'N FLY Ac. Design
Reg. No. 919,591
Class No. 105

To the Commissioner of Patents and Trademarks:

STATE OF MISSOURI

SS.

COUNTY OF ST. LOUIS

Theodore P. Desloge, Jr., being sworn, states that Park 'N Fly, Inc. owns the above identified registration issued August 31, 1971 as shown by the records in the Patent and Trademark Office; that the mark shown therein has been in continuous use in interstate commerce for five consecutive years from August 31, 1971 to the present in connection with each of the following services recited in the registration: Vehicular Parking Adjacent Airports and Transporting Vehicular Occupants, Including Luggage, To and From Airports, that said mark is still in use in interstate commerce; that there has been no final decision adverse to registrant's claim of ownership of said mark, to its right to register the same or maintain it on the register, and that there is no proceeding involving any of said rights pending and not disposed of either in the Patent and Trademark Office or in the Courts.

PARK 'N FLY, INC.

BY /s/ Theodore P. Desloge, Jr.
President

Subscribed and sworn to before me this 15th day of March,
1977.

/s/ Sharon S. Byrd
Notary Public

My Commission Expires: 7-16-77

POWER OF ATTORNEY

The undersigned hereby appoints Ralph W. Kalish, 1614 Paul Brown Building, 818 Olive Street, St. Louis, Missouri 63101, Registration No. 16,210, a member of the Bar of the Supreme Court of Missouri and of the Court of Customs and Patent Appeals, its attorney to file this affidavit, with full power of substitution and revocation, to ~~transact~~ all business in the Patent and Trademark Office in connection therewith.

PARK 'N FLY, INC.

BY /s/ Theodore P. Desloge, Jr.
President

EDITOR'S NOTE

PAGES ~~65 through~~ 70 WERE POOR
HARD COPY AT THE TIME OF FILMING.
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OBTAINED, A NEW FICHE WILL BE
ISSUED.

TRIAL EXHIBIT 107

CL 105

JUN 15 1971

SEE MEMO. Park 'n Fly Inc., St. Louis, Mo. Filed Aug. 18, 1969.



PARK 'N FLY

For Vehicular Parking Adjacent Airports and Transporting
Vehicular Occupants, Including Luggage, to and from Air-
ports (Int. Cl. 383).
Filed on Sept. 16, 1967.

Reg. 919,591
8/31/71

SN 153231

FILED 12/23/77

PARK 'N FLY

CL. 105 VEHICULAR PARKING
ADJACENT AIRPORTS & TRANS-
PORTING VEHICULAR OCCUPANT
S INCLUDING LUGGAGE TO & F
ROM AIRPORTS (IC39)*

APPLICANT:

PARK 'N FLY INC ST LOUIS M
O

USE: 09/26/67

CL 101

MAR 21 1975

EX 122,134, J. A. Sadler-Park 'N' Shop-Shops, Inc., New York, N.Y. Filed Mar. 14, 1961.



**PARK
'N' SHOP**

"J. A. Sadler" is a fictitious name.
For Promoting the Sale of the Goods and Services of Others
by Operating a (Fictitious) Park-Shops Club, the Members of
Which Are Entitled to a Special Discount on All Purchases
Made at Participating Shops.
First use Oct. 14, 1961.

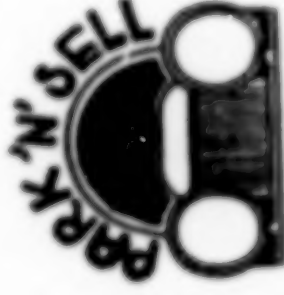
PG 214

Reg. 772,620
6/26/64

107

CL 105 MAY 17 1977

EX 184,881, Park 'N' Shop, Madisonville, Ill. Filed Oct. 28, 1974.



For Licensing Parking Lot Signs to Individuals Who Use
the Signs to Sell Their Private Automobiles, Trucks, Tractors,
Camping, or Any Other Vehicle Which Can Be Parked on
the Premises (U.S. Cl. 105).
First use Aug. 15, 1974.

INT. CL 39

Reg. 1,071,129

8/9/77

CL 105

FEB 10 1975

EX 84,374, National Garage, Inc., Detroit, Mich. Filed Oct.
14, 1974.



Applicant discloses the words "Park and Shop" appear on
the sign as shown.
For Automobile Parking Facility Services (U.S. Cl. 105)
First use Mar. 1, 1964.

INT. CL 39

Reg. 1,038,952

5/4/76

CL 100

MAR 18 1975

EX 484,344, The Real Development Corporation, Providence,
Rhode Island. Filed Sept. 21, 1973.

PARKCENTER

Class 100—Advertising

For Erecting Buildings That It Owns and Subleasing Land
Holding Interests (Int. Cl. 39).

First use in or about May 1972.

Reg. 1,013,234
6/10/75

MULTIPLE CLASS

CL 100

NOV 23 1976

ALL RIGHTS RESERVED. Park Mobile, Inc., New York, N.Y. Filed Aug. 6, 1976.

PARK MOBILE

For Providing and Managing Storage and Retrieval Systems for Automobiles, Equipment and Goods (U.S. Cl. 105).
First use during March 1976.

INT. CL. 4 2

Reg. 1,059,019
2-15-77

MULTIPLE CLASS

CL 101

MAR 18 1975

ALL RIGHTS RESERVED. The Real Development Corporation, Philadelphia, PA. Filed Sept. 21, 1973.

PARKCENTER

Class 101—Advertising and Business
For Managing a Building or a Building Complex for Leasing of Apartments and for Visitors (Int. Cl. 105).
First use for at least May 1973.

Reg. 1,013,234
6/10/75

MULTIPLE CLASS

— 69 —

TRIAL EXHIBIT 108

108

Int. Cl.: 39

Prior U.S. Cl.: 105

United States Patent Office

Reg. No. 1,071,129
Registered Aug. 9, 1977

SERVICE MARK

Principal Register



Park 'n Sell (partnership)
1000 S. Jackson St.
Bellefonte, Ill. 62221

For: LEASING PARKING LOT SPACE TO INDIVIDUALS WHO USE THE SPACE TO SELL THEIR PRIVATE AUTOMOBILES, TRAILERS, TRUCKS, CAMPERS, OR ANY OTHER VEHICLE WHICH CAN BE PARKED ON THE PREMISES, in CLASS 39 (U.S. Cl. 105).

First use Aug. 19, 1976; in commerce Sept. 22, 1976.

Ser. No. 104,697, filed Oct. 28, 1976.

GARY KRUGMAN, Examiner

TRIAL EXHIBIT 109

EXHIBIT A

109

Int. Cl.: 39

Prior U.S. Cl.: 105

United States Patent Office

Reg. No. 1,038,952
Registered May 4, 1976

SERVICE MARK
Principal Register



National Garages, Inc. (Michigan corporation)
550 W. Fort St.
Detroit, Mich. 48226

For: AUTOMOBILE PARKING FACILITY SERVICES, in CLASS 39 (U.S. CL. 105).
First use Mar. 1, 1946; in commerce Nov. 1, 1946.
Applicant disclaims the words "Park and Shop" apart from the mark as shown.

Ser. No. 34,304, filed Oct. 10, 1974.

I. S. SIGLIN, Jr., Examiner

**UNITED STATES DISTRICT COURT
DISTRICT OF OREGON**

Civil No. 78-531-FR

*Park 'N Fly, Inc.,
a Missouri corporation,
Plaintiffs,*

v.

*Dollar Park and Fly, Inc.,
an Oregon corporation,
Defendants.*

**FINDINGS OF FACT
AND
CONCLUSIONS OF LAW**
(Filed Jan. 25, 1982)

Paul L. Gardner
2029 Century Park East, Suite 1800
Los Angeles, CA 90067

Owen D. Blank
Tonkon, Torp, Galen, Marmaduke & Booth
1800 Orbanco Building
Portland, OR 97204

Attorneys for Plaintiff

J. Pierre Kolisch
Kolisch, Hartwell & Dickinson
520 SW Yamhill Street, Suite 200
Portland, OR 97204

Attorneys for Defendant

This case was tried by the court, without a jury, on September 22, 1981. After having heard and considered the testimony of the witnesses presented by both parties, the exhibits, the pleadings, the pretrial and post-trial memoranda filed by the parties, the court hereby enters the following findings of fact and conclusions of law.

Plaintiff Park 'N Fly, Inc. is a Missouri corporation having its principal place of business in St. Louis, Missouri. Defendant Dollar Park and Fly, Inc. is an Oregon corporation having its principal place of business in Portland, Oregon. Plaintiff seeks to permanently enjoin defendant's use of the words "Park and Fly" in connection with defendant's business. Plaintiff alleges trademark infringement in violation of 15 U.S.C. § 1051, et seq.

This court has jurisdiction pursuant to 15 U.S.C. § 1121 and 28 U.S.C. § 1338. Venue is proper.

In 1967 plaintiff began construction of a parking facility near the St. Louis, Missouri airport. Mr. Bloom, the chairman of the board of plaintiff, decided to call the parking facility "Park 'N Fly." Plaintiff contacted a trademark lawyer in St. Louis and was advised that there were no other users of the mark "Park 'N Fly." In 1968 plaintiff received a State of Missouri registration for the "Park 'N Fly" mark. On August 13, 1969, plaintiff filed its application for federal registration of its "[airplane logo] Park 'N Fly" mark.

Because plaintiff's business in St. Louis prospered, plaintiff set about opening five other facilities. By August, 1971 plaintiff was operating airport parking facilities under its "Park 'N Fly" mark in five cities in the United States: St. Louis, Cleveland, New Orleans, Houston, and San Francisco. On August 31, 1971 plaintiff's federal registration number 919,591 was issued for its "[airplane logo] Park 'N Fly" mark. In March, 1977 plaintiff forwarded an affidavit under 15 U.S.C. § 1065 to establish "incontestable" status for its number 919,591 mark. The affidavit was received by the Patent and Trademark office on April 24, 1977 and filed on May 25, 1977.

Plaintiff's second registration, number 1,111,956, was registered on January 23, 1979 upon an application filed December 23, 1977. This registration was for only the words "Park 'N Fly," without the logo.

Defendant is licensed to do business in Oregon as Dollar Park and Fly, dba Park and Fly, an Oregon corporation. It is owned by James and Doris Cassan. Mr. and Mrs. Cassan also own Dollar Rent A Car in Seattle, Washington, dba Dollar Park and Fly. The Portland and Seattle businesses offer parking lot services adjacent to the Portland International Airport and the Sea-Tac International Airport respectively.

Defendant has been using the words "park" and "fly" in connection with its business in Portland since 1973. Mr. Cassan, without prior knowledge of plaintiff's use of the words "Park 'N Fly" began using the words "park" and "fly" on a sign on the parking lot office of the Seattle company in 1970. That sign has been in use until the time of trial. The defendant uses the words "park and fly," "park & fly," and "park (with an airplane depicted) fly."

Plaintiff and defendant, in addition to renting parking spaces, provide transportation for their customers from their parking lots to the airports and from the airports back to the parking facilities. Both plaintiff and defendant place the words "airport parking" on their signs to inform the public of the nature of the services they offer. In newspaper and magazine articles about the plaintiff, the plaintiff is identified by both its mark and a descriptive identification of its services. Beginning in late 1971 or early 1972, infringers began using marks and names similar to "Park 'N Fly." Plaintiff has sent cease and desist letters to all such infringers who came to plaintiff's attention, and plaintiff has opposed in court those who would not voluntarily cease use of the similar mark or name.

Plaintiff uses its marks in all of its advertising. They appear on plaintiff's signs, shuttle buses, stationery, tickets, coupons,

flyers, customer comment brochures, envelopes and other brochures.

Plaintiff's certificates of registration numbers 919,591 and 1,111,956 constitute prima facie evidence of the validity of those registrations and plaintiff's ownership of the marks. 15 U.S.C. § 1057(b). Registration number 919,591 is incontestable. The defendant bears the burden of establishing such a defect as to overcome the presumption of validity. *Glamorene Products Corp. v. Boyle-Midway, Inc.*, 188 U.S.P.Q. 145, 164 (S.D.N.Y. 1975).

The defendant contends that it has sustained its burden by producing evidence that the words "Park 'N Fly" used in plaintiff's registration number 919,591 constitute a common descriptive or generic name for plaintiff's services, thereby making the registration unenforceable against defendant. Defendant also contends that the words "Park 'N Fly" in both registrations are also merely descriptive of the services offered by plaintiff, thereby making each registration unenforceable against defendant. Defendant contends that another company in privity with defendant has used the designation Park and Fly from a time prior to August 31, 1971, the date upon which registration number 919,591 was granted, and therefore the registration is invalid as against this defendant in this geographical area. Lastly, defendant claims it does not infringe either of the registrations because plaintiff has not proven likelihood of confusion in the marketplace.

An incontestable, registered mark cannot be challenged on the ground that it is invalid because it is merely descriptive. *Abercrombie & Fitch Co. v. Hunting World, Inc.*, 537 F.2d 4, 11 (2d Cir. 1976); *Union Carbide Corp. v. Ever-Ready Inc.*, 531 F.2d 366, 377 (7th Cir. 1976); *Park 'N Fly, Inc. v. Park & Fly, Inc.*, 489 F.Supp. 422 (D. Mass. 1979). An incontestable mark can be challenged only on the grounds listed in 15 U.S.C. § 1115. Genericness of a mark is one of those grounds. This

court finds that the words "Park 'N Fly" are not common descriptive words and that these words do not constitute a generic mark. Defendant's contention that the incontestability only applies to the entire mark (words and logo) as described in registration number 919,591 and not to any portion (for example, words alone) has no merit. "Infringement does not require the exact copying of a mark. It is possible to infringe a service mark by adapting only the salient or dominant part of the mark, if to do so is likely to cause confusion." *WSM, Inc. v. Bailey*, 297 F.Supp. 870, 872 (M.D. Tenn. 1969). This court finds that the use of the words "Park 'N Fly" alone create the same, continuing, commercial expression as the words "Park 'N Fly" and the logo of the airplane. Therefore, the court finds that plaintiff's mark number 1,111,956 is also valid and is subject to protection because the words are part of the number 919,591 registration.

Defendant next contends that it has established the right to use "Park and Fly" under 15 U.S.C. § 1115(b)(5) by virtue of a Seattle company's use of "Park and Fly" dating back to November, 1970, some eight months prior to the issuance of plaintiff's registration number 919,591. 15 U.S.C. § 1115(b)(5) provides in pertinent part as follows:

"If the right to use the registered mark has become incontestable...the registration shall be conclusive evidence of the registrant's exclusive right to use the registered mark in commerce...except when one of the following defenses or defects is established:

...

"(5) That the mark...was adopted without knowledge of the registrant's prior use and has been continuously used by such party or those in privity with him from a date prior to registration...provided, however, that this defense...shall apply only for the area in which such continuous prior use is proved;"

Defendant contends that it is in privity with the Seattle company because the Seattle company is owned by Mr. and Mrs. Cassan, who are also the owners of the defendant company. There is no evidence of privity between these two corporations.

Lastly, defendant contends it has not infringed because there is no likelihood of confusion. Evidence of actual confusion is not necessary.

On its face "Park and Fly" is virtually identical to "Park 'N Fly." The services provided by the two companies are precisely the same commercial services. The fact that the two companies operate in different geographical areas is not a defense. The owner of a federal registration must have the security of knowing that no one else may, henceforth, legitimately adopt his trademark and create rights in another area of the country superior to his own. This is especially true of something like airport parking where customers come from all parts of the country. A registrant of a valid trademark has rights in his mark even in areas in which he does not conduct business. *Old Dutch Foods, Inc. v. Dan Dee Pretzel & Potato Chip Co.*, 477 F.2d 150, 156 (6th Cir. 1973).

Plaintiff is entitled to a permanent injunction ordering the defendant to cease using the words "Park and Fly" and any other mark confusingly similar to "Park 'N Fly." The court deems Park & Fly, Park N Fly, Park 'N Fly, Fly and Park, or any similar combination to be confusingly similar. This injunction shall not prohibit the defendant from employing the words with an additional word in between, such as "Park, Shuttle, & Fly."

Counsel for plaintiff will prepare the appropriate order for disposition of this case.

DATED this 22 day of January, 1982.

/s/ Helen J. Frye
United States District Judge

JUDGMENT, INJUNCTION AND COSTS

The above-captioned matter was tried by this Court, without a jury, on September 22, 1981, the Honorable Helen J. Frye, U.S. District Judge, presiding. The issues were duly tried, and the Court filed its Findings of Fact and Conclusions of Law on January 25, 1982.

It is hereby ordered, adjudged and decreed as follows:

(1) Plaintiff's Certificates of Registration in the United States Patent and Trademark Office, numbers 919,591 and 1,111,956 are valid; and Plaintiff is the owner of the mark "PARK 'N FLY."

(2) Defendant's uses of the words "PARK AND FLY," "PARK & FLY," and "PARK (with an airplane depicted) FLY" constitute infringement of Plaintiff's registered service mark "PARK 'N FLY."

(3) The Defendant and its successors, assigns, officers, agents, employees, and all those in active concert or participation with the Defendant are hereby ordered to cease using the words "PARK AND FLY," the words "PARK & FLY," the words "PARK (with an airplane depicted) FLY," and any other words or combination of words which are confusingly similar to Plaintiff's mark "PARK 'N FLY."

(4) The Defendant, its successors, assigns, officers, agents, employees, and all those in active concert or participation with the Defendant, are hereby permanently enjoined and restrained from using the words "PARK AND FLY," the words "PARK & FLY," the words "PARK (with an airplane depicted) FLY," the words "FLY AND PARK," or any other combination of words which are confusingly similar to Plaintiff's mark "PARK 'N FLY."

(5) Plaintiff is hereby awarded its costs in prosecuting this litigation.

Dated this 2nd day of April, 1982.

/s/ Helen J. Frye
U.S. District Judge

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF OREGON

(Title omitted in printing)

NOTICE OF APPEAL
(Filed Apr. 20, 1982)

Notice is hereby given that defendant Dollar Park and Fly, Inc. appeals to the United States Court of Appeals for the Ninth Circuit from the final judgment entered in this suit on April 2, 1982.

DATED this 19th day of April, 1982.

/s/ J. Pierre Kolisch
of Attorneys for Defendant

UNITED STATES COURT OF APPEALS
FOR THE NINTH CIRCUIT

No. 82-3220

D.C. No.
78-531-FR

Park 'N Fly, Inc.,
Plaintiff-Appellee,

v.

Dollar Park and Fly, Inc.,
Defendant-Appellant.

OPINION

(Filed Oct. 13, 1983)

Appeal from the United States District Court
for the District of Oregon

Honorable Helen J. Frye,
United States District Judge, Presiding

Argued and Submitted: March 8, 1983

Before: KENNEDY, TANG, and POOLE, Circuit Judges.

KENNEDY, Circuit Judge:

Dollar Park and Fly, Inc. (Dollar) appeals from a judgment of the district court upholding the validity of the service marks registered by Park 'N Fly, Inc. (Park 'N Fly) and enjoining Dollar's use of the name "Park and Fly." We conclude that although there is insufficient evidence to invalidate Park 'N Fly's service marks, Park 'N Fly is not entitled to the injunctive relief given by the district court.

Park 'N Fly and Dollar both operate long term parking lots near airports and provide shuttle bus service to and from the air-

port terminals. Park 'N Fly has been in business since 1967 and has operations in St. Louis, Cleveland, Boston, Atlanta, Houston, Memphis, and San Francisco. Dollar has been in business since 1973 and operates only in Portland, Oregon.¹

In 1969 Park 'N Fly filed with the U.S. Patent and Trademark Office an application for registration of a service mark consisting of an airplane logo and the words "Park 'N Fly." The registration issued as Registration No. 919,591 in 1971, and Park 'N Fly obtained incontestable status for the mark in 1977. Later in 1977 Park 'N Fly filed an application for registration of a service mark consisting solely of the words "Park 'N Fly." That registration issued as Registration No. 1,111,966 in 1979.

Since the registration of its first mark, Park 'N Fly has been confronted with the rise of over a dozen airport parking lots operating under names akin to "Park and Fly." Park 'N Fly has procured a cessation of the use of the name in most cases through letters. In some cases, however, it has resorted to litigation. See, e.g., *Park 'N Fly, Inc. v. Park & Fly, Inc.*, 489 F. Supp. 422 (D. Mass. 1979).

Park 'N Fly filed this suit, and Dollar subsequently counterclaimed. After the issues were reduced to Park 'N Fly's request for an injunction and Dollar's request for an injunction and Dollar's request for the cancellation of Park 'N Fly's marks, the trial court found that Park 'N Fly's registrations were valid and that Dollar had infringed. The district court entered judgment enjoining Dollar from using the words "Park and Fly," "Park & Fly," "Park (with an airplane depicted) Fly," "Fly and Park," or any other combination confusingly similar to "Park 'N Fly."

¹ An independent company owned by the owners of Dollar provides the same service at the Seattle-Tacoma airport. We do not reach Dollar's claims with respect to the Washington operation in our resolution of this case.

On the merits of the appeal, we begin by noting that the cases identify four categories of trademarks: (1) generic (or common descriptive), (2) merely descriptive, (3) suggestive, and (4) arbitrary or fanciful. See *Surgicenters of America, Inc. v. Medical Dental Surgeries Co.*, 601 F.2d 1011, 1014-15 (9th Cir. 1979) (citing *Abercrombie & Fitch Co. v. Hunting World, Inc.*, 537 F.2d 4, 9-11 (2d Cir. 1976)). A generic (or common descriptive) mark is one that refers, or has come to be understood as referring to the genus of which the particular product or service is a species; a merely descriptive mark specifically describes a characteristic or ingredient of an article or service; a suggestive mark suggests rather than describes an ingredient, quality, or characteristic requiring imagination, thought, and perception to determine the nature of the goods; and an arbitrary or fanciful mark is usually a word or words invented solely for use as a trademark. *Surgicenters*, *supra*, 601 F.2d at 1014-15. A generic mark cannot become a registrable trademark under any circumstances, a merely descriptive mark can become a registrable trademark by acquiring a secondary meaning (i.e., becoming distinctive of the applicant's goods), and suggestive and arbitrary or fanciful marks are registrable without regard to secondary meaning. *Id.*; see also 15 U.S.C. § 1052(e), (f).

After a registered mark has been in continuous use for five years, the registrant may obtain incontestable status for the mark pursuant to 15 U.S.C. § 1065. Once a mark has become incontestable, registration is conclusive evidence of the registrant's exclusive right to use the registered mark subject only to the cancellation provisions of 15 U.S.C. § 1064 and the defenses enumerated in 15 U.S.C. § 1115(b). If an incontestable mark becomes generic, it may be cancelled pursuant to 15 U.S.C. § 1064(c), but an incontestable mark cannot be challenged for being "merely descriptive." See *Abercrombie & Fitch Co.*, *supra*, 537 F.2d at 12-13; *Park 'N Fly, Inc. v. Park & Fly, Inc.*, 489 F. Supp. 422, 424 (D. Mass. 1979).

In challenging the validity of Park 'N Fly's Registration No. 919,591, Dollar's argument is that "Park 'N Fly" is a generic mark with respect to airport parking lots. This court has addressed the standard for determining genericness in several cases. In *Surgicenters of America, Inc. v. Medical Dental Surgeries Co.*, 601 F.2d 1011 (9th Cir. 1979), we said: "If buyers take the word to refer only to a particular producer's goods or services, it is not generic. But if the word is identified with all such goods or services, regardless of their suppliers, it is generic." *Id.* at 1016. In *Anti-Monopoly, Inc. v. General Mills Fun Group*, 611 F.2d 296 (9th Cir. 1979), we said: "[T]he [challenged] trademark is valid only if 'the primary significance of the term in the minds of the consuming public is not the product but the producer.'" *Id.* at 302 (quoting *Kellogg Co. v. National Biscuit Co.*, 305 U.S. 111, 118 (1938)); see also *Anti-Monopoly, Inc. v. General Mills Fun Group, Inc.*, 684 F.2d 1316, 1319 (9th Cir. 1982), *cert. denied*, ___U.S.____, 103 S.Ct. 1234 (1983).

Dollar's primary argument that "Park 'N Fly" is generic is based on the words themselves.² The words "park" and "fly" are both ordinary words, and at least the former, or some derivative, seems essential in describing the business. Further, the word "park" followed by a verb suggesting the activity to follow occurs frequently in commerce (e.g., "park and ride," "park and shop"). Dollar also presented some evidence, though not conclusive, that "park and fly" or some close variant has been used by a number of operators, and the business was referred to by participants at airport car rental agency conventions as the "park and fly" business.

² If "park and fly" is a generic term for the service offered by Park 'N Fly, the mark "Park 'N Fly," as a mere phonetic equivalent, is infirm as a service mark. See *Miller Brewing Co. v. G. Heileman Brewing Co.*, 561 F.2d 75, 81 (7th Cir. 1977), *cert. denied*, 434 U.S. 1023 (1978).

The above strongly suggests that the validity of Park 'N Fly's mark is questionable. It cannot compensate, however, for Dollar's failure to provide any evidence with respect to consumer perceptions. We must decide the case on the record before us, not on our own set of assumptions. Without evidence that to the consuming public the primary significance of the term is to denote the service Park 'N Fly offers and not its source, we are without a sufficient evidentiary basis to find Park 'N Fly's mark generic.

This distinguishes the present case from our decision in *Surgicenters*. On its face, the term "surgicenter" is a compound not necessarily more generic than "park and fly," and it would seem the two cases could be decided the same way. But the party attacking the trademark in *Surgicenters* made a record substantially different from that made by Dollar in this case. In *Surgicenters*, the trial court had before it forty-five exhibits which showed that in the medical community and for the consumer public generally, "surgicenter" was used in a generic sense. 601 F.2d at 1017. We noted that the district court in *Surgicenters* based its analysis on a careful examination of both dictionary definitions and substantial evidence of generic use by the consuming public. 601 F.2d at 1020. Such evidence was absent here.

Given the incontestable status of Park 'N Fly's Registration No. 919,951 and Dollar's failure to show that the mark is generic, we conclude that on this record the district court did not err in refusing to invalidate that mark.¹

¹ Dollar argues that Registration No. 1,111,966 is cancellable without a showing of genericness in that it has not yet become incontestable. This argument follows from Dollar's position that since Dollar does not use the airplane logo of Registration No. 919,591, it infringes if at all only on Registration No. 1,111,966. This underlying proposition is disposed of, however, by our holding in *Carter-Wallace, Inc. v. Proctor & Gamble Co.*, 434 F.2d 794 (9th Cir. 1970), that "a trademark infringer need not expropriate the entire mark of

Turning to the question of injunctive relief, we first consider the effect for this purpose of a mark's incontestable status. Park 'N Fly's argument that the incontestability of its mark entitles it to injunctive relief is based upon the Seventh Circuit's holding in *Union Carbide Corp. v. Ever-Ready, Inc.*, 531 F.2d 366 (7th Cir.), cert. denied, 429 U.S. 830 (1976), that "a plaintiff in an infringement action establishes conclusively, under § 1115(b), his exclusive right to use a trademark to the extent he shows his trademark has become incontestable under § 1065." *Id.* at 377 (emphasis supplied). The law in this circuit, however, is different. Under our holding in *Tillamook County Creamery Ass'n v. Tillamook Cheese & Dairy Ass'n*, 345 F.2d 158, 163 (9th Cir.), cert. denied, 382 U.S. 903 (1965), a registrant can use the incontestable status of its mark defensively, as a shield to protect its mark against cancellation and to protect its right to continued use of the mark, but not offensively, as a sword to enjoin another's use. We recently reaffirmed this offensive/defensive distinction in *Prudential Insurance Co. of America v. Gibraltar Financial Corp. of California*, 694 F.2d 1150, 1153 (9th Cir. 1982), cert. denied, 51 U.S.L.W. 3919 (1983).

Although *Tillamook* is not express on the point, we believe the import of its rule to be that in an action for infringement a party can defend against the effect of federal registration by a showing that would suffice to cancel the mark in question were it not incontestable. Thus, Park 'N Fly's registration is of no import if its mark would not be entitled to continued registration but for its incontestable status.

another to be guilty of an enjoined offense if the imitation is of the most salient feature of the mark in question." *Id.* at 801. Since the words "park and fly" constitute the most salient feature of Registration No. 919,591, any infringement on Registration No. 1,111,966 would also be an infringement on Registration No. 919,591. Thus, the cancellation of 1,111,966 would be an idle act, and we decline to consider it.

Anticipating this inquiry, Park 'N Fly argues that its mark is suggestive with respect to airport parking lots. We are unpersuaded. Given the clarity of its first word, Park 'N Fly's mark seen in context can be understood readily by consumers as an offering of airport parking—imagination, thought, or perception is not needed. Simply understood, "park and fly" is a clear and concise description of a characteristic or ingredient of the service offered—the customer parks his car and flies from the airport. We conclude that Park 'N Fly's mark used in the context of airport parking is, at best, a merely descriptive mark.

Park 'N Fly has made no claim that its mark has acquired a secondary meaning as contemplated by federal trademark law. Thus, Park 'N Fly's mark would not be entitled to continued registration but for its incontestable status, and its federal registration is of no import. Since Park 'N Fly has asserted no other basis for injunctive relief, we conclude that it is not entitled to have Dollar enjoined from using the name "park and fly."⁴

The district court's refusal to invalidate Park 'N Fly's marks is affirmed. The district court's injunction against Dollar is reversed.

AFFIRMED IN PART: REVERSED IN PART.

⁴ Dollar argues that it is entitled to rely on the prior innocent use exception of 15 U.S.C. § 1115(b) insofar as the Washington business operated by the owners of Dollar has been using "Park and Fly" since 1970, and it argues that there is no likelihood of confusion justifying an injunction insofar as Park 'N Fly has no present intention of expanding into the Pacific Northwest. Our deposition of this case makes it unnecessary for us to reach either of these issues.

RESPONDENT'S BRIEF

JUL 20 1964

ALEXANDER L. STEVAK,
CLERK

7
No. 83-1132

In The
SUPREME COURT OF THE UNITED STATES
October Term, 1963

PARK 'N FLY, INC.,
Petitioner,

v.

DOLLAR PARK AND FLY, INC.,
Respondent.

On Writ of Certiorari to the
United States Court of Appeals
for the Ninth Circuit

BRIEF OF RESPONDENT

J. PIERRE KOLISCH
Counsel of Record

JOHN M. McCORMACK
KOLISCH, HARTWELL,
DICKINSON & ANDERSON
200 Pacific Building
520 S.W. Yamhill Street
Portland, Oregon 97204
(503) 224-6655

Attorneys for Respondent
Dollar Park and Fly, Inc.

QUESTIONS PRESENTED

1. Was it error for the Ninth Circuit to refuse to enforce a merely descriptive mark which had not acquired secondary meaning even though it had been accorded "incontestable" status under the Lanham Act?

2. Was Respondent entitled to continue use of "Park-Fly" because it was in privity with a third party whose continued use of the mark was sanctioned by the Lanham Act?

PARTIES

All of the parties to this proceeding are named in the caption. Dollar Park and Fly, Inc. has no parent or subsidiaries, and identified its affiliates in its brief in opposition to the Petition for a Writ of Certiorari, p. i, mailed to this Court on February 14, 1984.

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No. 83-1132

In The
SUPREME COURT OF THE UNITED STATES
October Term, 1983

PARK 'N FLY, INC.,
Petitioner,

v.

DOLLAR PARK AND FLY, INC.,
Respondent.

On Writ of Certiorari to the
United States Court of Appeals
for the Ninth Circuit

BRIEF OF RESPONDENT

INTRODUCTION

This is the usual trademark infringement case, except for one factor, in which the court of appeals correctly found that the mark in question was merely descriptive and would not be enforced

against Respondent. The distinguishing factor is that the mark is "incontestable" under the Lanham Act, and the Ninth Circuit, contrary to the Seventh Circuit, held that one defending against a charge of infringement could raise the defense of descriptiveness which is not one of the enumerated defenses against an "incontestable" mark.

We will show in this brief that the Ninth Circuit's decision is sound because it is in keeping with fundamental trademark law and the purpose of the Lanham Act as well as other sections of that Act.

Further, we will show that even if the rigid mechanical application of incontestability urged by Petitioner is followed, Respondent qualifies under one of the enumerated defenses to incontestability and the decision of the Ninth

Circuit is correct.

STATEMENT OF THE CASE

Respondent Dollar Park and Fly, Inc. believes the following should be added to that set forth in Petitioner Park 'N Fly's brief.

The first application for registration of the expression "Park 'N Fly" and logo of an airplane was initially rejected by the Examiner in the United States Patent and Trademark Office (PTO) because it was merely descriptive. Petitioner successfully argued the Examiner out of his rejection and Registration No. 919,391¹ issued without any review by a

¹ Registration No. 919,391 is reproduced at App. 1 to this brief.

higher tribunal.² That registration subsequently received incontestable status simply by Petitioner's filing in the PTO a Section 15 affidavit³ [15 U.S.C. §1065(3)].

Later, Petitioner obtained a second Registration No. 1,111,956 for the expression "Park 'N Fly" without the airplane logo.⁴ That registration sailed through the PTO without any question being raised concerning it. However, it is not incontestable under the Lanham Act.

Respondent has never used an airplane logo like that shown in Registration No. 919,591, and denies infringement of

² JA 53-57.

³ JA 63.

⁴ App. 2.

that registration. Respondent admits infringement of Registration No. 1,111,956, if that is a valid, enforceable mark against Respondent.⁵

Respondent is completely owned by Mr. and Mrs. James Cassan, who also own Dollar Rent-A-Car, a Washington corporation which has been operating a car rental and parking facility near the Seattle airport (Sea-Tac) since 1967.⁶ Both Cassans have been actively engaged since the beginning in the management of these corporations which are run as one business entity. The geographic area of that business extends from Bellingham,

⁵ Pretrial Order, deft's contention 6, JA 33.

⁶ Pretrial Order, agreed facts 10, 11, JA 30.

Washington to Salem, Oregon.⁷ In 1970, the Cassans first started using the words "park" and "fly" with the Sea-Tac parking facility, and in that year installed a sign at the facility which said "Dollar Park-Fly."⁸ The sign was mounted on the side of the car rental office building and was continuously on the building and remained in unchanged condition from 1970 until just prior to the date of trial when it was taken down for purposes of introduction as an exhibit.⁹ The sign was in use prior to the registration date of August 31, 1971 of Registration No.

⁷ Reporter's Transcript of Trial, September 22, 1981, R.T. 98-100, 106, 134.

⁸ Def. Ex. 110, Photograph Def. Ex. 110A, App. 3.

⁹ R.T. 127, 128.

919,591. The complained of use of "Park-Fly," and variations thereon, by Respondent began in 1973 at the parking facility near the Portland airport.

Respondent claims that regardless of how incontestability under the Lanham Act is construed, Respondent is in privity with the Washington corporation and may continue its use of "Park-Fly" in Portland

under 15 U.S.C. §1115(b)(5).¹⁰

The Chairman of the Board of Petitioner, Mr. Bloom, testified that he estimated that there were about 100 offsite

¹⁰ One of the stated exceptions to "incontestability" appears at 15 U.S.C. §1115(b)(5):

If the right to use the registered mark has become incontestable under section 15 hereof, the registration shall be conclusive evidence of the registrant's exclusive right to use the registered mark in commerce on or in connection with the goods or services specified in the affidavit filed under the provisions of said section 15 subject to any condition or limitations stated therein except when one of the following defenses or defects is established: ... (5) That the mark whose use by a party is charged as an infringement was adopted without knowledge of the registrant's prior use and has been continuously used by such party or those in privity with him from a date prior to registration of the mark under this Act or publication of the registered mark under subsection (c) of section 13 of this Act: Provided, however, That this defense or defect shall apply only for the area in which such continuous prior use is proved; ...

airport parking facilities in the country, and that at one time or another at least 10 of them were using the expression "Park and Fly" in connection with their services.¹¹ Presumably, the 11 mentioned on page eight of Petitioner's brief were included in that number.¹²

SUMMARY OF ARGUMENT

The decision of the Ninth Circuit Court of Appeals is correct because it refused to enforce a merely descriptive mark which erroneously became "incontestable" without any showing of secondary meaning. Merely descriptive marks are inherently unregistrable on the Principal Register because they do not comply with

¹¹ R.T. 19, 88-9.

¹² See also, Pretrial Order, agreed fact 9, JA 29.

the requirements of 15 U.S.C. §1052(e) of the Lanham Act.

If the interpretation of incontestability set forth in Union Carbide Corp. v. Ever-Ready, Inc., 531 F.2d 366 (7th Cir. 1976), cert. denied, 429 U.S. 830 (1976) is followed, there will be an incongruous result. A term incapable of performing the basic trademark function of identifying and distinguishing goods or services would be enforced against a party having every right to use the designation.

Trademark law, as interpreted for over a century by this Court and others, and as embodied in the Lanham Act, proscribes registration and enforcement of merely descriptive designations unless secondary meaning has been acquired. The Lanham Act does not permit registration on the Principal Register of merely

descriptive marks unless distinctiveness can be shown under 15 U.S.C. §1052(f).

Public policy mandates that descriptive terms should be available for use by competitors. The refusal to enforce a merely descriptive mark, unless it has acquired secondary meaning, fosters fair competition and promotes the purposes and objectives of the Lanham Act.

In this case, Petitioner never claimed secondary meaning for its merely descriptive "Park 'N Fly" expression. The Patent and Trademark Office improperly granted registration for "Park 'N Fly" on the Principal Register. No showing was ever made that the expression had acquired distinctiveness or secondary meaning. The expression "Park 'N Fly" should never have been accorded incontestable status because it is not registrable in the first place.

If incontestability under 15 U.S.C. §1115(b) is interpreted to limit defenses only to those specified in that section, then enforcement of an invalid, inherently unregistrable expression will result.

Virtually all courts which have followed Union Carbide have enforced merely descriptive "incontestable" marks only where those marks had acquired secondary meaning. The decision of the Ninth Circuit in the present case simply made it explicit that unless such a mark had acquired secondary meaning, it will not be enforced. That decision is in full accord with basic trademark law.

Even if the defenses are limited to those under §1115(b), the Ninth Circuit's decision should not be disturbed because Respondent has established a defense under §1115(b)(5). Respondent has

shown that it is in privity with a prior user of the expression "Park-Fly." The prior user used that expression from a date before registration of Petitioner's Registration No. 919,591. Petitioner and Respondent operate their respective off-site airport parking facilities in disparate market areas. Respondent's market area extends from Bellingham, Washington to Salem, Oregon, whereas Petitioner's closest facility is in San Francisco, California. These are distinct market territories. There was no evidence that Petitioner's "reputation zone" extended into Respondent's market territory.

The Ninth Circuit's interpretation of incontestability carefully and correctly balances the requirements of §1052, §1064, §1065 and §1113(b) to give effect to the underlying purpose of the

Lanham Act by refusing to permit enforcement of an inherently unregistrable, merely descriptive mark unless secondary meaning has been established. The Ninth Circuit did not cancel the incontestable "Park 'N Fly" registration because that is not permitted under §1064.

ARGUMENT

I.

Under Fundamental Trademark Law and the Lanham Act, "Park 'N Fly" is Unenforceable Because it is Inherently Unregistrable

The expression "Park 'N Fly" used with an automobile parking lot next to an airport is an obviously merely descriptive expression. The only basis under which Petitioner seeks to enforce that expression as a service mark is under the

incontestability provisions of the Lanham Act¹³ and the interpretation of those provisions in the Union Carbide case.¹⁴ Petitioner's reliance is misplaced because it does violence to fundamental trademark law.

Petitioner contends that the Ninth Circuit's interpretation of incontestability under 15 U.S.C. §1115(b) ignores the plain language of the Lanham Act as well as its intent expressed in legislative history. Petitioner says that once a mark has achieved incontestable status, it is conclusively presumed to be valid, subject only to the seven enumerated defenses set forth in 15 U.S.C. §1115(b).

¹³ 15 U.S.C. §1065 and §1115(b).

¹⁴ Union Carbide, supra, 531 F.2d at 377.

Petitioner urges that the application of the incontestability provisions according to Union Carbide should be adopted by this Court.

The basic flaw in that argument is that the expression "Park 'N Fly" is inherently unregistrable on the Principal Register¹⁵ because it is merely descriptive of the services offered, and has not been shown to have acquired secondary meaning. If the Union Carbide rationale is adopted, then §1115(b) will permit enforcement of an expression which

¹⁵ 15 U.S.C. §1052(e) does not permit registration on the Principal Register of merely descriptive marks unless distinctiveness is proven. The Supplemental Register permits registration under 15 U.S.C. §1091 of merely descriptive marks, but incontestability under 15 U.S.C. §1063 cannot be acquired by a mark on the Supplemental Register.

should not have been registered in the first place. That is an anomalous result when the purpose of the Lanham Act is considered. The Act permits registration on the Principal Register only of marks which are capable of identifying and distinguishing goods or services from those of others.¹⁶ A merely descriptive mark is incapable of doing that, unless it can be shown to have acquired secondary meaning. If the rule in Union Carbide is applied here, an expression which is inherently unregistrable will be permitted to be enforced against one who has every right to use the expression in connection with

¹⁶ Robert, The New Trademark Manual (1947) at 138, recognizes that certain designations, such as trade names, are not registrable to begin with, and therefore cannot become incontestable.

its airport parking lot business.

The question before this Court is much more than just reading §1064, §1065 and §1115(b) and concluding that only seven defenses are permitted to be asserted against an incontestable registration. First, §1052 which goes to the issue of what can be registered must be taken into account.¹⁷

The primary and proper function of a trademark is to identify or designate the goods of a particular trader. When purchasers recognize goods so marked as originating with a particular trader, he

¹⁷ 15 U.S.C. §1052 is reproduced at App. 4 to this brief.

will be protected in the use of that mark.¹⁸

According to the Lanham Act, trademarks and service marks are defined as follows:

The term "trademark" includes any word, name, symbol, or device or any combination thereof adopted and used by a manufacturer or merchant to identify his goods and distinguish them from those manufactured or sold by others.

The term "service mark" means a mark used in the sale or advertising of services to identify the services of one person and distinguish them from the services of others.¹⁹

¹⁸ Hanover Star Milling Co. v. Metcalf, 240 U.S. 403, 412 (1916); United Drug Co. v. Bestman Co., 248 U.S. 96, 97 (1918); Kellogg Co. v. National Biscuit Co., 305 U.S. 111, 116 (1938).

¹⁹ 15 U.S.C. §1127.

The key words in the Lanham Act definitions are "identify" and "distinguish."²⁰ Because the purpose of a trademark is to identify and distinguish goods or services of one trader from those of another, it is necessary that the mark be capable of doing so. Thus, many courts have held that the threshold inquiry is

²⁰ Edward S. Rogers, a distinguished trademark lawyer, summarized the reasons why a trademark should identify and distinguish in Robert, supra, n. 16 at xii: Trade-marks are a handy device to indicate where goods come from. If people cannot tell where the goods come from, they cannot fix responsibility for their quality or kind. People cannot buy again the goods they like or avoid the ones they do not like, unless they can tell them apart. It is this ability to identify, distinguish, and discriminate that makes freedom of choice possible. Also, identification presupposes competition. There would be no use in identifying the origin of any product if there were only one producer - you would have to buy his goods or go without. No choice would be possible.

an action for trademark infringement is whether the mark is initially registrable or protectable.²¹ Under the Lanham Act, an application for registration of a mark must be refused if it is "merely descriptive" of the goods or services.²²

It was recognized at common law that a word or an expression which was initially merely descriptive may, as a result of long continued usage by a particular source, become associated in the mind of the relevant buying public with that source, and therefore function as a

²¹ Vision Center v. Opticks, Inc., 996 F.2d 111, 115 (5th Cir. 1978), cert. denied, 444 U.S. 1016 (1980); American Heritage Life Insurance Co. v. Heritage Life Insurance Co., 494 F.2d 1, 10 (5th Cir. 1974).

²² 15 U.S.C. §1052(e).

trademark.²³ This is also known as the doctrine of secondary meaning.²⁴ That was incorporated in the Lanham Act, and except for certain specific exclusions, an applicant is entitled to registration of a mark "which has become distinctive of applicant's goods in commerce."²⁵

In the present case, Petitioner did not plead or offer any evidence that "Park 'N Fly" achieved any secondary

²³ Canal Co. v. Clark, 80 U.S. 311 (1871); Armstrong Paint and Varnish Works v. Nu-Enamel Corp., 305 U.S. 315, 335-36 (1938).

²⁴ G. & C. Merriam Co. v. Saalfeld, 198 F. 369, 373 (6th Cir. 1912), cert. denied, 243 U.S. 651 (1917).

²⁵ 15 U.S.C. §1052(f).

meaning and relied completely on incontestability under the Lanham Act.²⁶

Registration of a mark does not create the underlying rights in a mark. Rights can only originate through adoption and use of the mark as at common law. Enactment of the Lanham Act did not change

²⁶ Petitioner's suggestion (opening brief 34) that if this Court disagrees with Petitioner's argument concerning incontestability, the Court should remand to the trial court for findings on descriptiveness because the court of appeals violated Fed. R. Civ. P. 52 is wrong. Petitioner elected in the trial court not to plead or offer any evidence concerning distinctiveness of its mark. Instead, Petitioner relied completely on the argument that under §1115(b), its mark could not be attacked on the basis of distinctiveness. Probably one of the reasons Petitioner did that was that in view of the admitted widespread use by others of "Park and Fly," Petitioner could never have established distinctiveness.

that basic concept of trademark law.²⁷ Moreover, the Lanham Act and its provision for incontestability were never intended to change the substantive law of trademarks. Representative Lanham, the principal sponsor of the Trademark Act of 1946, explained in a Senate-House Conference Report that the seven defenses in §1115(b):

... are not intended to enlarge, restrict, amend, or modify the substantive law of trademarks either as set out in other sections of the act or as heretofore applied by the courts under prior laws.²⁸

²⁷ Trade-Mark Cases, 100 U.S. 82, 92 (1871); Best & Co. v. Miller, 167 F.2d 374, 376 (2nd Cir. 1949); Campbell Soup Co. v. Armour & Co., 175 F.2d 795, 797 (3rd Cir. 1949); Pacific Supply Co-Op. v. Farmers Union Central Exch., Inc., 318 F.2d 894, 905 (9th Cir. 1963); Keebler v. Rovera Biscuit Corp., 624 F.2d 366, 377 (1st Cir. 1980).

²⁸ Cong. Rec., Vol. 93, p. 7650, June 25, 1946, reproduced in Robert, supra, n. 16 at 296.

The first stated purpose of the Lanham Act is to protect the public by fostering fair competition, a purpose not mentioned by Petitioner in its brief. The second purpose is to give certain rights to trademark owners.

The purpose underlying any trademark statute is twofold. One is to protect the public so it may be confident that, in purchasing a product bearing a particular trade-mark which it favorably knows, it will get the product which it asks for and wants to get. Secondly, where the owner of a trade-mark has spent energy, time, and money in presenting to the public the product, he is protected in his investment from its misappropriation by pirates and cheats.

Trade-marks, indeed, are the essence of competition, because they make possible a choice

between competing articles by enabling the buyer to distinguish one from the other.²⁹

Merely descriptive marks are contrary to the Lanham Act's objectives because they are incapable of providing the identifying and distinguishing function.³⁰ However, if a mark can be shown to have acquired distinctiveness, it can be registered.³¹

There are other policy reasons why merely descriptive marks are not registrable, absent a showing of distinctiveness or secondary meaning. Public policy requires that descriptive terms be available for competitors to describe

²⁹ Senate Rep. No. 1333, 79th Cong. 2d Sess., reprinted in 1946 U.S. Code Cong. Serv. 1274-75.

³⁰ 15 U.S.C. §1052(e).

³¹ 15 U.S.C. §1052(f).

their products or services. If courts enforced such terms, fair and open competition would be hindered, and words which should be available to everyone would be taken out of the language. As Judge Hastie said for the court in Telechron, Inc. v. Telicon, Corp., 198 F.2d 903, 906 (3rd Cir. 1952):

The basic reason for refusing to allow the exclusive appropriation of descriptive words in trademarks is the danger of depleting the general vocabulary available to all for description and denomination of articles of commerce. It is unwise to risk the development of a situation in which those attempting to market their goods will find that they can not use apt normal words or phrases in depicting or characterizing articles because of language pre-emptions by others. So the legal protection of trademarks is

restricted in manner calculated to keep such descriptive words free for all.³²

II.

Registration of a Mark is a Ministerial Function which cannot create any Basic Trademark Rights

Prosecution of a trademark application, like a patent application, is an ex parte proceeding in which the representations and affidavits submitted by the applicant are not subject to challenge by third parties. After the PTO decides to allow an application, it is published in the Official Gazette of the PTO for opposition. If someone happens to see the

³² See also, Estate of P. D. Beckwith, Inc. v. Commissioner of Patents, 252 U.S. 538, 543-44 (1920); Safeway Stores, Inc. v. Safeway Properties, Inc., 307 F.2d 495, 498 (2nd Cir. 1962); Anti-Monopoly, Inc. v. General Mills Fun Group, Inc., 611 F.2d 296, 301 (9th Cir. 1979), cert. denied, 103 S.Ct. 1234 (1983).

published mark, believes he may be injured by registration of the mark, and is prepared to spend the time, trouble and money to oppose registration, he can do so.³³ In the absence of opposition, the mark automatically is registered, as was the case with Registration No. 919,591. The PTO was unaware of the many other users of "Park and Fly" commencing in 1970 at airport parking lots in Seattle, Denver and Atlanta.³⁴

A certificate of registration remains in force for 20 years, provided that a registrant files in the PTO a Section 8 affidavit between the fifth and sixth

³³ Respondent, a small family enterprise, was hardly in a position to carry out a trademark watch such as done by the more affluent owners of trademarks.

³⁴ R.T. 44-69, 107.

years showing that the mark is still in use.³⁵ At the same time, a registrant may file a Section 15 affidavit so that the mark becomes incontestable.³⁶ Thereafter, the owner of an inherently unregistrable, merely descriptive mark can, according to Petitioner, enforce the mark in perpetuity, without any showing of secondary meaning, because registrations may be indefinitely renewed for periods of 20 years.

It is important to note that the Section 15 affidavit does not require a registrant to state that the mark has been used exclusively for the five year period, or has acquired distinctiveness. Thus, it is easy for the owner of a merely

³⁵ 15 U.S.C. §1058.

³⁶ 15 U.S.C. §1065.

descriptive mark to obtain incontestability status. The PTO, under its procedure, does not even examine the merits of a Section 15 affidavit. The PTO's Trademark Manual of Examining Procedure §1604 et seq. (1984) provides in pertinent part:

The Office does not examine the merits of affidavits under Section 15. If the affidavit is presented at the proper time for an eligible registration, it is placed in the file without regard to its sufficiency and the Office merely notifies the registrant that the affidavit has been placed in the file. The affidavits are inspected, however, and if an inconsistency or substantial error is observed, this fact is called to registrant's attention in the letter of notification. The Office makes no requirement for correction ... (emphasis added).

Thus, a merely descriptive term which does not identify and distinguish can be "taken out of the language" in perpetuity, and courts, according to

Petitioner's argument, are powerless to do anything about it.

That is fundamentally wrong, and this Court has rejected usurpation of ideas which are part of the public domain. In Lear v. Adkins, 395 U.S. 653 (1969), the Court was presented with the question of whether a licensee of a patent was estopped to deny the patent's validity. The Court said that the public interest was best served if the Patent Office's grant could be reviewed, and held:

A patent, in the last analysis, simply represents a legal conclusion reached by the Patent Office. Moreover, the legal conclusion is predicated on factors as to which reasonable men can differ widely. Yet the Patent Office is often obliged to reach its decision in an ex parte proceeding, without the aid of the arguments which could be advanced by parties interested in proving patent invalidity. Consequently, it is not seen to us to be unfair to require a patentee to defend the Patent Office's judgment when

his licensee places the question in issue, especially since the licensor's case is buttressed by the presumption of validity which attaches to his patent.

Surely the equities of the licensor do not weigh very heavily when they are balanced against the important public interest in permitting full and free competition in the use of ideas which are in reality a part of the public domain. Licensees may often be the only individuals with enough economic incentive to challenge the patentability of an inventor's discovery. If they are muzzled, the public may continually be required to pay tribute to would be monopolists without need or justification. We think it plain that the technical requirements of contract doctrine must give way before the demands of the public interest in the typical situation involving the negotiation of a license after a patent has issued (emphasis added).³⁷

In the case of an incontestable, merely descriptive mark, the potential

³⁷ 395 U.S. at 670.

injury to the public and competition is even greater because the English language is finite, and a trademark owner's rights are forever. Surely, courts should not interpret one section of the trademark statute in a manner completely at odds with basic trademark law, public policy and the requirements of §1052.

Petitioner states in its brief on pages 30, 31 that Callman has retreated from the defensive/offensive distinction. That is incorrect, because Callman specifically recognizes that incontestability should not be used to protect marks which

are merely descriptive.³⁸

III.

Prior Decisions Enforcing
Descriptive Incontestable
Marks show that Secondary
Meaning was Found

The constant burden of Petitioner's brief is that the defenses to an

³⁸ Callman, Unfair Competition and Trademarks, 4th Ed., Vol. 4A, §25.06 states at page 28:

One should not overlook the fact that incontestability may, in some instances, work a hardship upon a small businessman, who does not have the resources to search the registers of the Official Gazette. It may also lead to misuse of the mark by the trademark owner, unless the incontestability privilege is counterbalanced by judicial efforts to restrict the scope of protection accorded to marks that consist primarily of descriptive or other public domain matter. Incontestability, however, merely demonstrates congressional willingness to recognize a trademark as a property right. And like any other property concept, it has advantages, disadvantages, and limitations which are imposed upon it to minimize those disadvantages.

infringement action on an incontestable mark are strictly limited to those specified under 15 U.S.C. §1115(b), and descriptiveness is not one of them. According to that argument, a court may not examine for descriptiveness, or any defense other than the seven enumerated ones, a mark which has become incontestable.³⁹

Examination of the cases dealing with incontestability shows that even

³⁹ The untenableness of Petitioner's argument is emphasized by Amici's brief (pp. 4-7) which argues how "modest and reasonable" incontestability is and it "resembled a small shield more than a formidable sharp sword." There are "a plethora of exceptions", "As many as 21 possible exceptions to incontestability status have been listed." Surely it is not expecting too much that one of the exceptions that should be included is of marks that are incapable of identifying and distinguishing goods or services.

those cases foreclosing inquiry as to descriptiveness of an incontestable mark still consider in depth the issue of whether secondary meaning has been shown. There is a strong thread running throughout trademark law that a party cannot obtain exclusivity of a trademark which is a merely descriptive term unless secondary meaning can be shown, even if the term has been accorded incontestability status.

Petitioner claims that most circuits have adopted the Union Carbide, supra, rationale, and that the "offensive/defensive distinction" of the Ninth Circuit is incorrect. Yet, neither Petitioner nor Amici have explained how an inherently unregistrable term can become enforceable if it fails to identify and distinguish. A close reading of the cases dealing with descriptive incontestable marks shows that

when they are enforced, the marks had acquired secondary meaning. The sole exception to this of which we are aware are the prior district court cases involving "Park 'N Fly." There follows a summary of some of the more significant cases which have passed on incontestability.

First Circuit - The only case in the First Circuit dealing with the question is Park 'N Fly, Inc. v. Park & Fly, Inc., 489 F.Supp. 422 (D. Mass. 1979). The court held that although "Park 'N Fly" was "arguably merely descriptive" such a defense was not listed in §1115(b), and following Union Carbide, the mark was entitled to be enforced unless it was shown to be generic. Defendant changed to "Park, Shuttle & Fly" and that ended the

litigation.⁴⁰

Second Circuit - In Abercrombie & Fitch Co. v. Hunting World, Inc., 537 F.2d 4, 11 (2nd Cir. 1976), the court noted that the plaintiff's registration for "safari" is either "suggestive" or "merely descriptive" and is a valid trademark even if "merely descriptive" because the registration had become incontestable under the Lanham Act. However, the court held that the mark was generic and unenforceable, for some of the goods recited in the registration. Thus, the court was not presented directly with the question whether "mere descriptiveness" and the inherent unregistrability of such a mark

⁴⁰ JA 30. If Respondent had capitulated to plaintiff the way everyone else has, appellate review of the basic unsoundness of Unicarb Carbide and its progeny would not now be possible.

could be shielded by incontestability under the Lanham Act.

Third Circuit - In Salton, Inc. v. Cornwall Corp., 477 F.Supp. 975, 982, 984 (D. N.J. 1979), the court, while upholding incontestability, held that the mark "Hotray" was "merely descriptive" for the plaintiff's electric food warming appliances, but had acquired secondary meaning - as that term is used in 15 U.S.C. §1052(f) - through long use, wide advertising and a large volume of sales. The court in Kinark Corp. v. Camelot, Inc., 548 F.Supp. 429, 448 (D. N.J. 1982), noted that the mark "Camelot" had become incontestable for hotel services, but nevertheless discussed at some length the distinction between suggestive and descriptive marks. The court considered the issue of mere descriptiveness and whether the mark

was functional in the context of determining the strength or weakness of the mark. It is clear that the court did not want to foreclose inquiry as to the mere descriptiveness or functionality of a mark which had attained incontestable status.

Fifth Circuit - The court in Latarains, Inc. v. Oak Grove Smokehouse, Inc., et al., 698 F.2d 786 (5th Cir. 1983), while paying lip service to incontestability,⁴¹ held that descriptive terms are not protectable by trademark absent a showing of secondary meaning in the minds of the consuming public. The mark in question, which had acquired secondary meaning, was not enforced because of the

⁴¹ 698 F.2d at 794, n. 5.

fair use defense.⁴²

In John R. Thompson Co. v. Holloway, 141 USPQ 355 (N.D. Tex. 1964), aff'd in part and rev'd in part, 366 F.2d 108 (5th Cir. 1966), plaintiff had a registered incontestable mark "Holloway House" which the court characterized as a composite mark. Defendant used the name "Holloway's" on its restaurant. The court held that plaintiff's incontestable rights extended only to the composite mark "Holloway House" and not to "Holloway" alone. The court of appeals did not discuss or reverse that part of the district

⁴² 15 U.S.C. §1115(b)(4).

court's decision.⁴³

In Soweco, Inc. v. Shell Oil Co., 617 F.2d 1178 (5th Cir. 1980), cert. denied, 450 U.S. 981 (1981), the court, while following Union Carbide, said that the descriptive mark "Larvacide" had become distinctive of plaintiff's goods because the Examiner had so found during the proceedings in the PTO.⁴⁴

Several district court cases in the Fifth Circuit have also followed Union Carbide, but again, they all found that

⁴³ In the present case Petitioner's "incontestable mark" is a composite, words and logo. Even if the mark is accorded any offensive rights, it should be limited to the mark as a whole, and Respondent does not use the logo. The words which Respondent uses are found standing alone in Petitioner's Registration No. 1,111,956 which is undeniably contestable on the basis of being merely descriptive.

⁴⁴ 617 F.2d at 1181.

the marks in question had acquired secondary meaning.⁴⁵

Sixth Circuit - A mark which was deemed functional and therefore inherently unregistrable was invalidated in Schwinn Bicycle Co. v. Murray Ohio Mfg. Corp., 339 F.Supp. 973 (N.D. Tenn. 1971), Aff'd, 470 F.2d 975 (6th Cir. 1972). The district court held that an inherently defective mark which was not entitled to registration with the PTO could not be rendered valid by becoming incontestable under §1115(b).⁴⁶ That holding was not disturbed in the decision on appeal.

⁴⁵ Holla-Hoyce Motors Ltd. v. A & A Fiberglass, Inc., 428 F.Supp. 689, 698 (N.D. Ga. 1977); Council of Better Business Bureaus, Inc. v. Better Business Bureau of South Florida, Inc., 200 USPQ 282, 292 (S.D. Fla. 1978); Miss Universe, Inc. v. Miss Teen U.S.A., Inc., 209 USPQ 698, 705 (N.D. Ga. 1980).

⁴⁶ 339 F.Supp. at 982.

Seventh Circuit - In John Morrell & Co. v. Reliable Packing Co., 295 F.2d 314 (7th Cir. 1961), the court was presented with the question whether the mark "Easy-Carve" for hams infringed the incontestable mark "E-I-Cut." The court noted that because defendant's hams had bones removed, they were therefore easier to carve. Because of the obviously descriptive nature of the mark and because the "E-I-Cut" mark was found not to have acquired secondary meaning, defendant prevailed.

In Union Carbide the court overruled John Morrell, supra, for reasons which are questionable in view of fundamental trademark law and the purpose of the Lanham Act. The court's statements

concerning incontestability were unfortunate because they were not necessary to the decision. The court obviously was disturbed that the famous "Eveready" mark had been invalidated by the lower court. The court held that while the descriptiveness issue was close, the mark in any event had acquired secondary meaning:

Regardless of incontestability, plaintiff clearly established the validity of its mark on the basis of secondary meaning even if we were to accept the district court's conclusion that the mark is descriptive.⁴⁷

"Eveready" qualified as a good, enforceable mark under well-established trademark law. The court's unnecessary and unsound statements on incontestability have spawned a line of blind followers which should now be stopped.

⁴⁷ 531 F.2d 381.

Eighth Circuit - The court in Wrist-Rocket Mfg. Co., Inc. v. Saunders Archery Co., 516 F.2d 846, 851 (8th Cir. 1979), cert. denied, 423 U.S. 870 (1975), held that incontestability did not help plaintiff in an infringement action because incontestability was "not a sword" but a "shield that protects the registrant from cancellation of his trademark by a prior user claiming superior rights." The court said that the plaintiff would have to "establish his exclusive right to use the trademark independent of the registration."⁴⁸ The case was remanded, and on the second appeal, the court concluded that between the parties the registration was not incontestable, and therefore declined to decide whether incontestability

⁴⁸ 516 F.2d 850.

is an offensive weapon."⁴⁹

In Health Industries, Inc. v. European Health Spas, 489 F.Supp. 860 (D. S.D. 1980), the issue was whether defendant infringed plaintiff's incontestable service mark registration for "European." After considering whether the mark was primarily geographically descriptive of the origin of the goods or services, the court held that the mark was used in an arbitrary fashion so that no finding of secondary meaning was necessary.⁵⁰ The court nevertheless took the additional step to find that there was circumstantial

⁴⁹ Wrist-Rocket Mfg. Co., Inc. v. Saunders Archery Co., 578 F.2d 727, 731, n. 4 (9th Cir. 1978).

⁵⁰ 489 F.Supp. at 867-68.

evidence of secondary meaning.⁵¹

Ninth Circuit - The Ninth Circuit's decision in the present case permitted Respondent to assert mere descriptiveness as a defense, inasmuch as §1115(b) was considered to be for defensive purposes only, to prevent a mark from being canceled.⁵² The Ninth Circuit's decision

⁵¹ 489 F.Supp. at 868.

⁵² The limitation placed by the Ninth Circuit on use of an incontestable mark is akin to the restriction courts have placed on state anti-dilution statutes which provide for enforcement of a valid trademark, regardless of whether there is competition between the parties. The courts have said that these statutes will be enforced only in the case of relatively well known famous trademarks even though the statutes contain no such language. Allied Maintenance v. Allied Mechanical Trades, Inc., 42 N.Y.2d 538, 399 N.Y.S.2d 428, 349 N.E.2d 1162 (1977); Ratee Lauder, Inc. v. Cinnabar 2000 Haircutters, Inc., 198 USPQ 191 (S.D. N.Y. 1982).

followed the "offensive/defensive" rationale adopted in prior cases.⁵³ The Ninth Circuit held that if a mark is merely descriptive, and has not been shown to have acquired secondary meaning, then it is not enforceable.

The defense of descriptiveness was considered in Lindy Pen, *supra*, where the court noted that many pen manufacturers had used or were using "Auditor's" to designate fine point pens. Because plaintiff had not shown that its "Auditor's" mark had acquired secondary meaning, it was not enforced against defendant for

⁵³ Tillamook County Creamery Ass'n. v. Tillamook Cheese & Dairy Ass'n., 345 F.2d 138 (9th Cir. 1965), *cert. denied*, 382 U.S. 903 (1965); Prudential Insurance Co. v. Gibraltar Financial Corp., 694 F.2d 1150 (9th Cir. 1983), *cert. denied*, 103 S.Ct. 3538 (1983); and Lindy Pen Co., Inc. v. Bic Pen Corp., 725 F.2d 1240 (9th Cir. 1984).

certain pen sales even though the mark had become incontestable.⁵⁴

In Levi Strauss & Co. v. Blue Bell, Inc., 632 F.2d 817 (9th Cir. 1980), the court considered the defenses of functionality and ornamentality asserted against an incontestable registration. The defenses were rejected because the mark had acquired secondary meaning. The mark was valid even if effect was not given to incontestability under §1065.

Tenth Circuit - In Bear Nuts, Inc. v. Clover Club Foods Co., 711 F.2d 934 (10th Cir. 1983), the question was whether the mark "Brew Nuts" infringed the incontestable registration for "Bear Nuts." Again, the court, while paying lip service

⁵⁴ 725 F.2d at 1246.

to the Union Carbide rationale, said that even though the record established that "Bear Nuts" was descriptive, it had acquired secondary meaning and was enforceable.⁵⁵

Court of Appeals for the Federal Circuit - The question of inherent unregistrability of a mark was considered by the Court of Appeals for the Federal Circuit in Minnesota Mining and Manufacturing Company v. Brunswick Corp.⁵⁶ In that case, a trade name had been registered and had acquired incontestable status. The court held that a trade name could not be registered because the Lanham Act, under §1127, permits registration only of trademarks or service marks. The court was squarely

⁵⁵ 711 F.2d at 942.

⁵⁶ Unpublished opinion, App. 3.

presented with the issue of whether an inherently unregistrable expression, such as a trade name, could become registered and accorded incontestable status. It held that it could not.

IV.

The Mark "Park 'N Fly" is
Inherently Unregistrable Because
it is Merely Descriptive, and has
not Been Shown to have Acquired
Secondary Meaning

As mentioned earlier, it is fundamental trademark law that if a mark is merely descriptive, it is protectable only if it has acquired secondary meaning, and plaintiff has the burden of establishing secondary meaning.⁵⁷ If §1115(b) is to be literally interpreted without reference to anything else, then anyone who files the self-serving affidavit required by the

⁵⁷ Vision Center v. Opticks, Inc., supra, 596 P.2d at 118.

PTO has an incontestable right to enforce his mark, subject only to the seven listed defenses, even though in the real world the mark is incapable of identifying and distinguishing the owner's goods. Such an interpretation does violence to basic trademark law and the Lanham Act.

If, as was obvious to the court of appeals in the present case, "Park 'N Fly" is merely descriptive, it can not become an enforceable trademark right simply by filing the §1065 affidavit.⁵⁸

The purpose of a trademark is to "identify and distinguish" the goods or services of one source from those of another. Absent secondary meaning, a merely descriptive mark is incapable of

⁵⁸ Supra, n. 16.

doing that. If a mark is merely descriptive, and if it mistakenly becomes registered, it does not suddenly become an indication of source or origin because a Section 15 affidavit was filed. Petitioner and Amici have failed to deal with that basic flaw in Union Carbide and its progeny.

The problem with construing §1115(b) to preclude all defenses other than the seven specifically set forth is apparent in the present case, i.e., by means of an ex parte proceeding and filing of self-serving affidavits (Sections 8 and 15), an inherently unregistrable expression was registered and accorded incontestability status. Now, according to Petitioner, "Park 'N Fly" is immune from attack other than by the seven defenses - even though the expression has never been shown

to identify and distinguish Petitioner's services from the numerous others who have used it.

The unreliability of the PTO proceedings is shown by the failure of the Examiner to require from Petitioner any evidence that its mark was distinctive or had acquired secondary meaning under §1052(f). The attorney representing Petitioner convinced the Examiner that "Park 'N Fly" was not merely descriptive by arguing that it had "no exact meaning" which informed one as "to the exact nature, character, function or quality of applicant's services" because it required "some thought as to its intended meaning." He then cited to the Examiner a series of other descriptive marks which the PTO had allowed, as justification for allowing

another.⁵⁹ The Examiner thereupon allowed the application without even requiring that the obviously generic word "park" be disclaimed apart from the mark.⁶⁰

The general laxness of the PTO is shown by its well-known inconsistency in requiring disclaimers of generic or descriptive terms from composite marks. A few examples from the present case illustrates the point. Registration No. 1,171,129 for "Park 'N Sell" and logo⁶¹ is for a parking lot where individuals park and offer to sell their vehicles. As

⁵⁹ JA 54-57.

⁶⁰ Under 15 U.S.C. §1056, the PTO should require an applicant to disclaim an unregistrable component of a trademark. But under the Trademark Manual of Examining Procedure §904.03 et seq., examiners are given considerable latitude in requiring disclaimer of unregistrable descriptive words.

⁶¹ JA 69.

surprising an allowance was of that expression, it is hard to believe that no disclaimer was required of the obviously descriptive words "Park" and "Sell." However, in Registration. No. 1,038,932 for the mark "Park & Shop" and logo,⁶² the words "Park and Shop" were both required to be disclaimed. To require courts to be bound by the mistakes of this administrative agency would be an unheard of act of judicial deference.

If it is not self-evident, the evidence produced in district court by Respondent established that "Park 'N Fly" is descriptive. Mr. Cassan first started using the expression "Park-Fly" in good faith in connection with his Sea-Tac

⁶² JA 70.

facility. He was unaware of Park 'N Fly's use but he was aware of other similar expressions such as "park and shop," "park and ride," etc. He thought it would be a good descriptive name of his offsite airport parking facility.⁶³

Many others independently concluded that "Park-Fly" was an apt expression to describe an airport parking facility. Mr. Wristen and others testified concerning use beginning in 1970 of the expression "Park and Fly" by other operators of offsite airport parking lots at various cities throughout the country.⁶⁴ There is also the testimony of the Chairman of the Board of Petitioner, Mr. Bloom,

⁶³ R.T. 107.

⁶⁴ R.T. 44-69; Deft's Exs. 104, 106.

that many others had adopted "Park and Fly" in connection with offsite airport parking facilities.⁶⁵

In view of the foregoing and the obvious meaning of "Park 'N Fly" when used with an offsite airport parking facility, the Ninth Circuit's holding appears to be eminently correct:

Given the clarity of its first word, Park 'N Fly's mark seen in context can be understood readily by consumers as an offering of airport parking - imagination, thought, or perception is not needed. Simply understood, "park and fly" is a clear and concise description of a characteristic or ingredient of the service offered - the customer parks his car and flies from the airport. We conclude that Park 'N Fly's mark used in the context of airport parking is, at best, a merely descriptive mark.⁶⁶

⁶⁵ R.T. 19.

⁶⁶ JA 86.

Moreover, it appears that Judge Frye in the district court also thought the mark was merely descriptive because she held that Respondent could use the words "Park" and "Fly" with the insertion of an additional word, such as "Park, Shuttle, & Fly."⁶⁷ It is well-known by the flying public that a shuttle service between offsite airport parking lots and the airport is part of the service provided.⁶⁸ Addition of another descriptive word "Shuttle" between "Park" and "Fly" does not make the expression any more distinctive.

The decision of the Ninth Circuit is in keeping with basic trademark law.

⁶⁷ JA 76.

⁶⁸ Mr. Bloom testified that an offsite airport parking facility did not exist without a shuttle service. R.T. 31.

That decision is correct because it recognizes that the intrinsic requirement of a trademark is that it identify and distinguish the product of one party from all others. The public interest is best served if merely descriptive expressions are refused enforcement absent a showing of secondary meaning. The Ninth Circuit has recognized that after a mark becomes incontestable, it cannot be canceled based on its being merely descriptive, which is in keeping with the statute.⁶⁹

⁶⁹ 15 U.S.C. §1064(c). The basic reason for providing incontestable rights is to prevent cancellation of a registration after a certain period of time subject to certain limitations. Prior to the 1946 Lanham Act, a registration could be canceled at any time. See Robert, *supra*, n. 16 at 133-35. There is nothing in the legislative history which can be read to confer validity on a otherwise unregistrable mark just because a Section 15 affidavit has been filed.

Adoption of the defensive/offensive distinction enables the defense of mere descriptiveness to be raised, but does not permit the incontestable registration to be canceled. If the mere descriptiveness defense is proven, then a basic tenet of trademark law is satisfied, i.e., that a party may not appropriate an inherently unregistrable expression exclusively for itself and remove from the English language words which another, such as a competitor, has a perfect right to use. If the expression "Park 'N Fly" ever attains secondary meaning, then it will become an enforceable mark.

The Ninth Circuit's determination of how §1064, §1065 and §1115(b) interact is logical and gives effect to basic principles of trademark law. The Ninth Circuit has brought together §1052 which precludes

registration of a merely descriptive mark, unless under §1052(f) the mark has been shown to have become distinctive, as well as §1064, §1065 and §1115(b). While a literal reading of §1115(b) alone might appear to eliminate the defense of mere descriptiveness, such a reading would frustrate basic trademark law, the purpose of the Lanham Act, and is contrary to the Act's prohibition against merely descriptive marks unless secondary meaning has been established.

V.

**Respondent has Established a
Defense to Infringement Under
the Incontestability Statute**

Even if this Court were to hold that Respondent may not raise the descriptiveness defense, it is entitled to continue use of the mark under one of the enumerated defenses to incontest-

tability.⁷⁰ The court of appeals specifically refrained from passing on this defense.⁷¹

The district court found as a fact that Mr. Cassan, without prior knowledge of plaintiff's use of the words "Park 'N Fly," began using the words "park" and "fly" on a sign on the parking lot office of the Seattle company in 1970. The sign was in use until the time of trial.⁷² That use bears directly on two defenses, the first being that pursuant to §1115(b)(5), Respondent is in privity with the Seattle company and its use of "Park-Fly" which began prior to the date of registration

⁷⁰ 15 U.S.C. §1115(b)(5), REDACTED, s. 10.

⁷¹ JA 81, 86.

⁷² JA 73.

of Registration, No. 919,991 permits Respondent to continue use of the mark even if Petitioner's registration is incontestable. The second defense is that use by the Seattle company of "Park-Fly" throughout the period of time Petitioner relied on to obtain incontestable status is admissible as additional evidence of third party use and lack of distinctiveness.

Respondent should be permitted to continue to use "Park-Fly" pursuant to the defense set forth in §1115(b)(5). Mr. Cassan's un rebutted testimony was that the Seattle and Portland companies were both owned by Mrs. Cassan and himself, and the district court so found.⁷³ Mr. Cassan also testified that the marketing area of his offsite airport parking lot facilities

⁷³ JA 73.

extended from Bellingham, Washington to Salem, Oregon.⁷⁴ The closely related Seattle corporation had been using "Park-Fly" since prior to the registration date of Registration No. 919,591. Because of the common ownership of the companies, Respondent is in privity with the Seattle corporation which had a bona fide use of the mark prior to Petitioner's registration of Registration No. 919,591, and has established one of the enumerated defenses.⁷⁵

⁷⁴ H.T. 99-100.

⁷⁵ Safeway Stores, Inc. v. Safeway Quality Foods, Inc., 433 F.2d 99 (7th Cir. 1970); Hot Shoppes, Inc. v. Hot Shoppes, Inc., 203 F.Supp 777 (W.D. N.C. 1962).

VI.

**Petitioner and Respondent
Operate Their Respective
Facilities in Disparate
Market Areas**

During the more than ten years that "Park-Fly" has been used by Respondent and the Seattle company for offsite airport parking facilities in Seattle/Portland, there has not been a single instance of actual confusion with Petitioner.⁷⁶ That is to be expected because Petitioner is in a different geographical market area from Respondent. Mr. Cassan testified without contradiction that the market area for his Seattle and Portland companies is from Bellingham, Washington to Salem, Oregon.

Mr. Cassan further testified that he did not learn about Petitioner's use of its mark until sometime in 1976 or 1977,

⁷⁶ N.T. 40-1.

and there was no evidence that Petitioner's "reputation zone" extended into the Seattle/Portland area.⁷⁷

Under controlling case law, if an owner of a federally registered mark and an unauthorized user of that mark are in geographically separate markets with no present prospect that the owner of the registered mark will expand into the market of the other user, there is no likelihood of confusion. The owner of the registered mark is not entitled to an injunction against continued use by the other party

⁷⁷ Wiener King, Inc. v. The Wiener King Corp., 192 USPQ 333, 335 (3rd Cir. 1976), rev'd, aff'd, 430 U.S. 916 (1977).

in the other party's market area.⁷⁸ Petitioner is not entitled to an injunction because Respondent qualifies under §1113(b)(3).

CONCLUSION

The Ninth Circuit's interpretation of the incontestability provisions of the Lanham Act is correct. The interpretation balances the requirements of §1052, §1044, §1063 and §1113(b). The defensive/offensive distinction followed by the Ninth Circuit and other courts prevents the incontestability provisions of §1113(b) from elevating an inherently unregistrable expression which has no secondary meaning into an enforceable mark.

⁷⁸ Dean Food Company v. Bart's Food Stores, Inc., 267 F.2d 338, 344 (2nd Cir. 1959); American Foods, Inc. v. Golden Flake, Inc., 312 F.2d 619 (5th Cir. 1963); Continents v. Continents, 378 F.2d 279, 282 (5th Cir. 1967).

That is a salutary result, and comports with basic trademark law and the intent of the Lanham Act.

The decision of the Ninth Circuit Court of Appeals should be affirmed.

Respectfully submitted,


J. PIERRE KOLISCH
Counsel of Record

JOHN M. McCORMACK
KOLISCH, HARTWELL,
DICKINSON & ANDERSON
200 Pacific Building
520 S.W. Yamhill Street
Portland, Oregon 97204
(503) 224-6655

Attorneys for Respondent
Dollar Park and Fly, Inc.

July 20, 1984

5-297

United States Patent Office

919,391

Registered Aug. 21, 1971

615

PRINCIPAL REGISTER
Service Mark

CLASS. NO. 18/182
FILED BY DALLAS-A-DAY
DALLAS-A-CAR SYSTEMS, INC.

See Also: 919,392, filed Aug. 21, 1971



PARK N FLY

Printed by the United States
Patent and Trademark Office
Washington, D.C. 20540

THE UNITED STATES PATENT AND
TRADEMARK OFFICE HAS RECORDED
THIS MARK IN CLASS 18, 182, 182.1
AND IN CLASS 18, 182, 182.1
ON AUGUST 21, 1971, IN CONNECTION WITH THE
MARK.

No. 83-1132

APP. 1

BEST AVAILABLE COPY

FED. U.S. CL. 103

United States Patent and Trademark Office

Reg. No. 1,111,918
Registered Jan. 28, 1979

SERVICE MARK
Patented England

PALEW FLY -

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No. 85-1132

APP. 2

BEST AVAILABLE COPY

Welcome To...

DOLLAR PARK & FLY

1. PLEASE DRIVE FORWARD TO YELLOW STOP SIGN
2. LEAVE KEYS IN IGNITION
3. PARKING TICKET WILL BE ISSUED
4. IMMEDIATE SHUTTLE TO AIRPORT
5. WE NEVER CLOSE

Thank You For Your Cooperation!

No. 83-1132

APP. 3

The Lanham Act, §1052

§ 1052. Trademarks registrable on principal register; concurrent registration [Section 2]

No trademark by which the goods of the applicant may be distinguished from the goods of others shall be refused registration on the principal register on account of its nature unless it --

(a) Consists of or comprises immoral, deceptive, or scandalous matter; or matter which may disparage or falsely suggest a connection with persons, living or dead, institutions, beliefs, or national symbols, or bring them into contempt, or disrepute.

(b) Consists of or comprises the flag or coat of arms or other insignia of the United States, or of any State or municipality, or of any foreign nation, or any simulation thereof.

(c) Consists of or comprises a name, portrait, or signature identifying a particular living individual except by his written consent, or the name, signature, or portrait of a deceased President of the United States during the life of his widow, if any, except by the written consent of the widow.

(d) Consists of or comprises a mark which so resembles a mark registered in the Patent and Trademark Office or a mark or trade name previously used in the United States by another and not abandoned, as to be likely, when applied to the goods of the applicant, to cause confusion, or to cause mistake, or to deceive: Provided, That when the Commissioner determines that confusion, mistake, or deception is not likely to result from the continued use by more than one person of the same or similar marks under conditions and limitations as to the mode or place of use of the marks or the goods in connection with which such marks are used, concurrent registrations may be issued to such persons when they have become entitled to use such marks as a result of their concurrent lawful use in commerce prior to (i) the earliest of the filing dates of the applications pending or of any registration issued under this chapter; or (ii) July 5, 1947, in the case of registrations previously issued under the Act of March 3, 1881, or February 20, 1905, and continuing in full force and effect on that date; or (iii) July 5, 1947, in the case of applications filed under the Act of February 20, 1905, and registered after July 5, 1947. Concurrent registrations may also be issued by the Commissioner when a court of competent jurisdiction has finally determined that more than one person is entitled to use the same or similar marks in commerce. In issuing concurrent registrations, the Commissioner shall

prescribe conditions and limitations as to the mode or place of use of the mark or the goods in connection with which such mark is registered to the respective persons.

(e) Consists of a mark which, (1) when applied to the goods of the applicant is merely descriptive or deceptively misdescriptive of them, or (2) when applied to the goods of the applicant is primarily geographically descriptive or deceptively misdescriptive of them, except as indications of regional origin may be registrable under section 1054 of this title, or (3) is primarily merely a surname.

(f) Except as expressly excluded in paragraphs (a)-(d) of this section, nothing in this chapter shall prevent the registration of a mark used by the applicant which has become distinctive of the applicant's goods in commerce. The Commissioner may accept as prima facie evidence that the mark has become distinctive, as applied to the applicant's goods in commerce, proof of substantially exclusive and continuous use thereof as a mark by the applicant in commerce for the five years next preceding the date of the filing of the application for its registration. (July 5, 1946, c. 540, Title I, sec. 2, 60 Stat. 428; October 9, 1962, Public Law 87-772, sec. 2, 75 Stat. 769; January 2, 1975, Public Law 93-596, sec. 1, 88 Stat. 1949.)

Note: This opinion will not be published in a printed volume because it does not add significantly to the body of law and is not of widespread legal interest. It is a public record. It is not citable as precedent. The decision will appear in tables published periodically.

United States Court of Appeals
for the Federal Circuit

MINNESOTA MINING AND)	Appeal No. 83-1137.
MANUFACTURING COMPANY,)	
)	
Appellant,)	
)	
v.)	
)	
BRUNSWICK CORPORATION,)	
)	Opposition No.
Appellee.)	64,430.

DECIDED: April 13, 1984

Before MILLER and SMITH, Circuit Judges, and
RE, Judge.*

MILLER, Circuit Judge.

DECISION

The decision of the United States

*/ The Honorable Edward D. Re, Chief Judge,
United States Court of International Trade,
sitting by designation.

Patent and Trademark Office Trademark Trial and Appeal Board ("board"), dismissing in whole and in part the counterclaims of paragraphs 11, 13, 14, and 15 of appellant's answer and granting appellee's motion for a more definite statement in the counterclaim of paragraph 16, is affirmed in part and reversed in part.

OPINION

With respect to the board's partial dismissal of the counterclaim of paragraph 11 (to the extent that it relates to Registration No. 755,474), we agree with appellant that a "trade name" as defined by the Lanham Act (15 U.S.C. § 1127) can not be registered, as such, and that registration is permissible only if it is also used as a trademark or service mark. MCCARTHY, TRADEMARKS AND UNFAIR COMPETITION § 4:4(D) (1973), and cases cited. VANDENBURGH, TRADEMARK LAW AND PROCEDURE § 1.21(e) (2d ed. 1968). It follows that no

trade name can become incontestable, as such, pursuant to 15 U.S.C. § 1065. CALLMANN, THE LAW OF UNFAIR COMPETITION TRADEMARKS AND MONOPOLIES § 98.4(e) (3d ed. 1970). However, appellant's pleading alleges only that "FILTERITE" is used as a trade name at the present time and makes no allegation that the mark was used only as a trade name at the time of registration and, therefore, should not have been registered. In order to state a claim upon which relief may be granted, appellant was required to allege that the mark in question was not used as a trademark at the time of registration.

As to the board's dismissal of the counterclaim of paragraph 13, appellant should be given an opportunity to show that information obscured by appellee's submission of a photographic specimen showing only one hemisphere of the golf ball in question would

have resulted in a finding of promotional or trade name usage, as opposed to trademark usage. The manner in which an alleged mark is used on the goods can be controlling on the issue of registrability and, therefore, may support cancellation of a registration within five years from the date of registration.

Regarding the board's dismissal of the counterclaim of paragraph 14, appellee's submission of label specimens does not, contrary to the board's position, negate fraud in maintaining a registration. Appellee's use of the word "trademark" to describe "FILTERITE" in its affidavits under sections 8 and 15 would be relevant to a determination of fraud if "FILTERITE" has not been used as a trademark since registration as sworn to in the affidavit.

We agree with the board's dismissal of the counterclaim of paragraph 15 with

respect to Registration No. 755,474 to the extent that the counterclaim alleges that "FILTERITE" is merely descriptive of fluid filters. Mere descriptiveness is a ground for cancellation only if asserted within five years from the date of registration. That appellant intends to establish that the mark "FILTERITE" has become generic establishes neither need nor purpose for recognizing a statutorily barred cause of action.

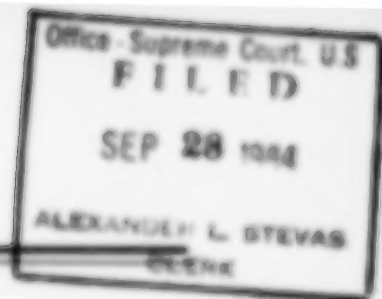
Finally, the board correctly granted appellee's motion for a more definite statement pursuant to Fed. R. Civ. P. 12(e) with respect to the counterclaim of paragraph 16. The counterclaim does not state the nature of the alleged misrepresentation of the source of appellee's goods and, if left in its present form, would force appellee to make a general denial and to submit to discovery of unnecessary breadth.

A True Copy.

Attest:

REPLY BRIEF

3
No. 83-1132



IN THE
Supreme Court of the United States

OCTOBER TERM, 1983

PARK 'N FLY, INC.,
Petitioner,

vs.

DOLLAR PARK AND FLY, INC.,
Respondent.

On Writ of Certiorari to the United States
Court of Appeals for the Ninth Circuit

**REPLY BRIEF OF PETITIONER
TO BRIEF OF RESPONDENT**

ALAN E. POPKIN
Counsel of Record

TIMOTHY F. NOELKER
JEFFREY N. KLAR
POPKIN, STERN, HEIDETZ,
LURIE, SHEEHAN, REDY &
CHERVITZ
7733 Forsyth Boulevard
22nd Floor
St. Louis, Missouri 63105
(314) 862-0900
*Counsel for Petitioner
Park 'N Fly, Inc.*

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**REPLY BRIEF OF PETITIONER
TO BRIEF OF RESPONDENT**

INTRODUCTION

Petitioner Park 'N Fly, Inc. submits the following in reply to the Brief of Respondent Dollar Park and Fly, Inc.

STATEMENT OF THE CASE

For its statement of the case, Park 'N Fly, Inc. respectfully refers the Court to the Brief of Petitioner, at 5-13.

ARGUMENT

I. The Ninth Circuit's And Respondent's Construction Of The Lanham Act Is Counter To The Plain Language Of The Act

The primary and oft-repeated thrust of Respondent's brief is that Petitioner's incontestable mark "Park 'N Fly" is merely descriptive, has not been shown to have acquired secondary meaning, and therefore is an invalid, unenforceable mark. Respondent, however, correctly recognizes in its brief that this argument flies in the face of the language of 15 U.S.C. §1115(b). "If §1115(b) is to be literally interpreted without reference to anything else, then anyone who files the self-serving affidavit required by the PTO has an incontestable right to enforce his mark, subject only to the seven listed defenses" Respondent's brief, at 53. Further, Respondent properly admits that, "a literal reading of §1115(b) alone might appear to eliminate the defense of mere descriptiveness" Respondent's brief, at 64. Respondent attempts to counter the plain wording of the Lanham Act by arguing that a literal reading of the statute "would frustrate basic trademark law . . . and is contrary to the Act's prohibition against merely descriptive marks unless secondary meaning has been established." Respondent's brief, at 64. Far from "frustrating trademark law" or being "contrary" to the Lanham Act, however, a literal reading of the Act completely fulfills the underlying purposes and goals of the Lanham Act.

When Congress enacted the Lanham Act in 1946, one of its major goals was to rectify the inequities which had arisen under the 1905 Trademark Act. Among the inequities of the 1905 Trademark Act was that the validity of a mark could be attacked in perpetuity. A registered mark was open to challenge at any time. The registrant was therefore perpetually exposed to the risk of loss of his mark. See Callman, *Unfair Competition, Trademarks and Monopolies*, 4th Ed., Vol. 4A, §25.06, at

26-27. In response to this risk, Congress enacted 15 U.S.C. §1064 which recognizes certain enumerated grounds for the cancellation of the registration of a mark after the registration is five years old, and by implication cuts off all grounds not enumerated. Among the grounds for cancellation enumerated in §1064 are marks which have become "the common descriptive name of an article or substance," have "been abandoned" or whose registration has been "obtained fraudulently." 15 U.S.C. §1064(c).¹ Conspicuously absent from the enumerated grounds for cancellation are marks which are merely descriptive.

Both the Ninth Circuit and the Respondent recognize that the incontestable mark "Park 'N Fly" cannot be cancelled because of the requirements of 15 U.S.C. §1064. *Park 'N Fly, Inc. v. Dollar Park and Fly, Inc.* 718 F.2d 327, 330 (9th Cir. 1983) (J.A. at 84); Respondent's brief, at 14. The Ninth Circuit and the Respondent seek to circumvent the cancellation grounds of 15 U.S.C. §1064 by construing §1115(b) so that a registrant with an incontestable mark cannot use it offensively to enjoin the use of an infringing mark. Thus, although an incontestable mark cannot be cancelled, its incontestable status cannot be used to enforce "the registrant's exclusive right to use the registered mark." 15 U.S.C. §1115(b). The Ninth Circuit's and Respondent's position leads to an absurdity.

The absurdity of the Ninth Circuit's and the Respondent's position is that an incontestable mark can remain registered, but it cannot be enforced. To argue that a registrant can use the incontestable status of its mark only defensively to protect it from cancellation and not offensively to enjoin an infringer's use is to render the plain language of §1115(b) a nullity. It is an elementary rule of statutory construction "to give effect, if possible,

¹ See *White House Milk Prods. Co. v. Dwinell-Wright Co.*, 111 F.2d 490, 491, 493 (CCPA 1940), in which a mark was cancelled twenty years after registration.

to every clause and word of a statute' . . . rather than to emasculate an entire section" *United States v. Menasche*, 348 U.S. 528, 538-39 (1955) (quoting *Montclair v. Ramsdell*, 107 U.S. 147, 152 (1883)) (citation omitted). The reading of §1115(b) put forth by the Ninth Circuit and the Respondent makes §1115(b) so much excess verbiage in light of §1064. Respondent's reading would make §1115(b) applicable only to protect a mark from cancellation, which is the sole concern of §1064, and not applicable at all in an infringement action.

The reading of §1115(b) which gives effect to all the incontestability provisions of the Lanham Act flows directly from the plain language of the statute. This Court has often stated that in interpreting a statute one looks first at the language of the statute, and "absent a clearly expressed legislative intention to the contrary, that language must ordinarily be regarded as conclusive." *North Dakota v. United States*, ___ U.S. ___, 103 S.Ct. 1095, 1102-1103, 75 L.Ed. 2d 77, 87 (1983). See also *Escondido Mut. Water Co. v. LaJolla Indians*, ___ U.S. ___, ___, 104 S.Ct. 2105, 2110, 80 L.Ed.2d 753, 761 (1984) ("[i]t should be generally assumed that Congress expresses its purposes through the ordinary meaning of the words it uses . . ."); *Consumer Prod. Safety Comm'n v. GTE Sylvania, Inc.*, 447 U.S. 102, 108 (1980). Section 1115(b) states that once a mark has attained incontestable status that constitutes "conclusive evidence of the registrant's exclusive right to use the registered mark" 15 U.S.C. §1115(b). The exclusive right to use a mark clearly means that the owner of the mark has the right to use the mark to the exclusion of anyone else. If the owner of a mark could not exclude others from using his mark, his mark would be valueless and the language of §1115(b) would be meaningless. Section 1115(b) specifically contemplates the use of the "conclusive evidence" rule in infringement actions. Subsections 1115(b)(4), (5) and (6), which speak in terms of "the use of the . . . term . . . charged to be an infringement" 15 U.S.C. §1115(b)(4) (emphasis added) and "the mark whose use

by a party is charged as an infringement . . ." 15 U.S.C. §§1115(b)(5) and (6) (emphasis added), are meaningless unless those defenses are raised in infringement actions.

Thus, the plain language of the Lanham Act shows clearly that incontestability was intended to be used offensively to protect owners of incontestable marks from infringement of those marks. Such a reading of the Lanham Act avoids the absurdity of Respondent's position that a mark cannot be cancelled because it is incontestable, but nevertheless cannot be enforced. Such a reading is also in keeping with the goal of the Lanham Act that the owner of an incontestable mark be given the security that his mark cannot be cancelled other than in certain clearly delineated instances. That goal cannot be achieved unless the owner of the mark has the right to protect his exclusive use of the mark in infringement actions.

Respondent's admission that "a literal reading of §1115(b) alone might appear to eliminate the defense of mere descriptiveness" from the enumerated defenses of §1115(b) points to the crux of Respondent's real plea in this case. That plea is further revealed when Respondent states, "surely it is not expecting too much that one of the exceptions that *should be* included [in the defenses under §1115(b)] is of marks that are incapable of identifying and distinguishing goods or services." Respondent's brief, at 36 n. 39 (emphasis added). Respondent is not asking this Court to interpret a statute which Respondent admits is clear on its face. Respondent is asking this Court to amend the Lanham Act by adding another defense that "should be" appended. Congress spent many years and conducted numerous hearings before enacting the Lanham Act, of which the incontestability provisions are a major part. Respondent is seeking to sidestep this legislative process by having this Court second guess the provisions of the Lanham Act. This Court has long held that it will not second guess the wisdom of Congress in enacting particular legislation. This Court does not "sit as a super-legislature to determine the wisdom, need, and propriety

of laws that touch economic problems, business affairs, or social conditions." *Griswold v. Connecticut*, 381 U.S. 479, 482 (1965). Nor is it the function of this Court "to speculate whether the statute is unwise or whether the evils sought to be remedied could better have been regulated in some other manner." *Mourning v. Family Publications Serv.*, 411 U.S. 356, 378 (1973). See also *United States v. Varig Airlines*, ____ U.S. ____, ____, 104 S.Ct. 2755, 2765, 81 L.Ed.2d 660, 678 (1984); *TVA v. Hill*, 437 U.S. 153, 184 n. 29, 194-195 (1978). The proper place for Respondent to seek a change in the Lanham Act is before Congress, not before this Court.

Respondent's desire to have this Court second guess Congress is further pointed out in its discussion of the "ministerial function" of the Patent and Trademark Office (PTO). Respondent's brief, at 28-35. Respondent claims that the "[p]rosecution of a trademark application . . . [is] not subject to challenge by third parties." Respondent's brief, at 28. This claim mischaracterizes the procedure Congress has established for third party intervention in trademark prosecution. The Lanham Act provides for proceedings that allow third parties both to oppose the registration of a mark before it issues, 15 U.S.C. §1063, and to cancel a mark within five years after registration, 15 U.S.C. §1064. The PTO publishes trademark applications for opposition every week in the Official Gazette. Once a mark becomes registered on the Principal Register, §1072 makes such registration constructive notice throughout the United States of the registrant's claim of ownership of the mark. 15 U.S.C. §1072. Thus, the statutory scheme Congress has enacted does provide for third party intervention in trademark prosecution.

Respondent never availed itself of the procedures Congress has established for challenging marks under §§1063 and 1064. Respondent does not and cannot now claim that it was unaware of Petitioner's claim of ownership of the "Park 'N Fly" mark because of the constructive notice provision of §1072. Instead,

without ever explicitly saying so, Respondent is really asking this Court to hold that Congress was unwise to establish only a five year period in which a mark could be challenged on the ground that it was merely descriptive. Respondent obviously would prefer that the Lanham Act allow a mark to be challenged on the ground that it is merely descriptive in perpetuity. Congress decided in 1946, however, that there was to be a five year limit on such a challenge. It is up to Congress to change that time limit, not this Court.

One other aspect of Respondent's "ministerial function of the PTO" claim with regard to registration of a mark deserves mention. Respondent characterizes the PTO trademark proceedings as unreliable, Respondent's brief, at 56, and generally lax, Respondent's brief, at 57. Because of this "unreliability" and "general laxness," Respondent asserts that, "[t]o require courts to be bound by the mistakes of this administrative agency would be an unheard of act of judicial deference." Respondent's brief, at 58. The "mistake" to which Respondent alludes, of course, is the finding by the PTO examiner that "Park 'N Fly" is not merely descriptive and so is registrable. That the mark was initially turned down for registration because it was merely descriptive and thereafter was found to be registrable upon Park 'N Fly's appeal of the denial of registration indicates that the PTO exercises more than a ministerial, "rubber-stamping" function. Further, Respondent's language regarding a court being "bound by the mistakes of this administrative agency" both presupposes that there has been a mistake and assumes that the Ninth Circuit acted properly in categorizing "Park 'N Fly" as merely descriptive.

The question of whether given words are "generic," "descriptive," "suggestive" or "arbitrary" has been found to be a factual issue. See *Soweco, Inc. v. Shell Oil Co.*, 617 F.2d 1178, 1183 n. 12 (5th Cir. 1980), cert. denied, 450 U.S. 981 (1981). The PTO found in this case that the mark "Park 'N Fly" is not merely descriptive and thus was registrable. The

Ninth Circuit in finding that the mark is merely descriptive substituted its own findings for the factual determination of the PTO. The PTO is the administrative agency given the responsibility to make the factual findings necessary to determine registrability under the Lanham Act. The Ninth Circuit never made any finding that the PTO decision regarding the registrability of "Park 'N Fly" was arbitrary, capricious or unsupported by the evidence. The Ninth Circuit gave no deference to the PTO evaluation of the documents and arguments Park 'N Fly presented to the PTO. Instead, it improperly overturned the PTO's fact-finding determination by substituting its judgment for the judgment of the PTO. See *Watson v. Gulf Stevedore Corp.*, 400 F.2d 649, rehearing denied, *Young & Co. v. Shea*, 404 F.2d 1059 (1968), cert. denied, 394 U.S. 976, cert. denied, 395 U.S. 920 (1969).

II. The Legislative History Of The Lanham Act Supports The Offensive Use Of Its Incontestability Provisions

It must also be stressed that the legislative history of the Lanham Act supports the offensive use of its incontestability provisions. As set out in the Petition for Certiorari (pp. 10, 12-14), as well in Park 'N Fly's opening brief (pp. 12-13, 24-27), the Ninth Circuit improperly considered the defense of mere descriptiveness and reached its result by holding in accord with a discredited line of cases that the incontestability provisions of the Lanham Act simply could not be used offensively. See also *Union Carbide Corp. v. Ever-Ready, Inc.*, 531 F.2d 366, 371-377 (7th Cir.), cert. denied, 429 U.S. 830 (1976). As argued above, such a distinction does violence to the plain terms of the Lanham Act. It should also be brought to the Court's attention, however, that the legislative history of the Lanham Act shows that its framers clearly contemplated offensive use of its incontestability provisions.

In one of the earlier hearings on the Lanham Act, for example, in an exchange between Representative Lanham and several

eminent trademark practitioners regarding the exceptions to incontestability, Mr. Earl H. Thomson stated:

Our only exception in this incontestability clause [at the time] is if the registration was obtained fraudulently or has been abandoned. I believe the defendant should be able to raise the question that the mark is deceptive at any time . . .

Hearings before the Committee on Patents, Subcommittee on Trade-Marks, House of Representatives, 76th Cong., 1st Sess. on H.R. 4744 (March 28, 29 & 30, 1939) at 103 (emphasis added). Clearly this comment shows that offensive use of incontestability was envisioned in the Act.

In a later hearing, the potential vicarious liability of printers in damages for publishing incontestable marks was discussed and Harry Brostoff, Esq., representing members of the printing industry, testified, *inter alia*, that "in any event, the injunctive relief solves the problem." Hearings Before the Subcommittee on Trade-Marks, Committee on Patents, House of Representatives, 77th Cong., 1st Sess. on H.R. 102, H.R. 5461 and S. 895 (November 4, 12, 13 & 14, 1941) at 50, see also pp. 45-51.

In addition, in a Conference Report issued near the end of the lengthy debate on the Lanham Act, Senator O'Mahoney discussed the last defense to an incontestable mark—the antitrust exception of 15 U.S.C. §1115(b)(7) — in terms that make obvious the Congressional intent that the incontestability provisions as a whole be used offensively to obtain an injunction:

Mr. President, the point which I wish to make perfectly clear is that the use of such a mark to violate the antitrust laws constitutes a defense in an infringement suit . . . This amendment provides an additional defense to the conclusive evidence rule of a certificate of registration of a mark which has become incontestable under section 15 [15 U.S.C. §1065].

Senate Conference Report, Registration of Trade Marks (June 28, 1946).

As demonstrated above and in Park 'N Fly's opening brief, the crux of this case involves the Ninth Circuit's unwillingness to be bound by the plain terms of the Lanham Act. Insofar as the legislative history of the Lanham Act is pertinent to the issue of offensive use of the incontestability provisions, the Ninth Circuit is similarly out of step.

III. *Lear v. Adkins* Is Inapposite To The Issues In This Case

Respondent in its brief cites to *Lear v. Adkins* to support its argument that the mark "Park 'N Fly" should not be "taken out of the language" because it is merely descriptive. Respondent's brief, at 31-34. Respondent seeks to analogize the appropriation of words and symbols by a mark owner to the usurpation of ideas which are part of the public domain. Respondent's reliance upon *Lear* is inappropriate.

In *Lear v. Adkins*, 395 U.S. 653 (1969), the Court dealt with the issue of whether a patent licensee could challenge the validity of the licensed patent. The Court, after undertaking an extensive analysis of its prior precedents with regard to "licensee estoppel," found that licensee estoppel had an "uncertain status" because the prior case law was "a product of judicial efforts to accommodate the competing demands of the common law of contracts and the federal law of patents." *Id.* at 668. The Court decided that in weighing these competing demands the patent licensor's equities were "far from compelling." *Id.* at 670. Because the patent licensee would "often be the only individual with enough economic incentive to challenge the patentability of an inventor's discovery," the doctrine of licensee estoppel was overturned. *Id.* The situation with regard to marks, however, is very much different.

An opposition or cancellation proceeding may be filed by anyone who believes he could be or is being damaged by the

registration of a mark. 15 U.S.C. §§1063 and 1064. The public interest is in no way being thwarted as it was under the doctrine of licensee estoppel. Those persons whose economic interest are affected by the registration of a mark have two procedures through which to challenge the mark. Any person with an economic incentive to challenge a mark is free to do so. The statutory scheme Congress has enacted thus ensures the freedom to challenge marks. The only limits placed on that statutory right are found in the incontestability provisions of the Lanham Act. As Petitioner has argued above and in its initial brief, those limits serve important goals of the Lanham Act. Under the scheme Congress has enacted the rights of both the public and the mark owner are carefully considered and protected.

IV. There Is No Privity Within The Meaning Of Section 1115(b)(5) Between Respondent And A Prior User

Respondent persists in arguing that Dollar Park and Fly comes within the prior use defense to incontestability pursuant to 15 U.S.C. §1115(b)(5) in any event because it is in privity with a prior user of the mark simply by virtue of common ownership of the prior user and the Respondent. See Respondent's brief, at 64-67. Common ownership, however, does not constitute privity, and neither of the cases cited by Dollar Park and Fly at p. 67, n. 75, establish the proposition. In fact, in *Hot Shoppes, Inc. v. Hot Shoppes, Incorporated*, 203 F.Supp. 777, 781 (M.D.N.C. 1962), the Court correctly pointed out that privity depends on successive ownership of the same property. *Hot Shoppes* therefore actually supports Park 'N Fly and not Dollar Park and Fly.

The District Court correctly ruled that there was "no evidence of privity between" the two companies which used the mark in question.

CONCLUSION

For the foregoing reasons, and for the reasons stated in Petitioner's brief on the merits as well as the brief of *amici curiae*, the decision of the Ninth Circuit below should be reversed insofar as it reversed the District Court injunction, and the Court of Appeals should be directed to affirm the decision of the District Court in its entirety.

Respectfully submitted,

Alan E. Popkin

Counsel of Record

Timothy F. Noelker

Jeffrey N. Klar

Popkin, Stern, Heifetz, Lurie,

Sheehan, Reby & Chervitz

7713 Foreyth Boulevard

22nd Floor

St. Louis, Missouri 63105

(314) 862-0900

Counsel for Petitioner

Park 'N Fly, Inc.